

SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

CORPORATE POLICY 3.05

CAPITALIZATION & DEPRECIATION POLICY

Chapter: 3.0 – Financial & Fiscal Policies
Section: 3.05 – Capitalization & Depreciation Policy
Effective Date: April 1, 2011

1.0 PURPOSE

1.1 To facilitate the presentation of financial statements for local government organizations as required by Generally Accepted Accounting Principles.

2.0 EFFECTIVE DATE AND AMENDMENTS

2.1 This Policy shall be effective upon the approval by the BOARD and AGENCY BOARD. This Policy may only be amended by approval of the BOARD and AGENCY BOARD.

3.0 PROCEDURES

3.1 The President or his/her designee is authorized to establish and disseminate administrative procedures to implement this BOARD POLICY, as applicable.

4.0 POLICY

4.1 The CORPORATION is committed to utilizing and conforming to generally accepted accounting principles as applicable to local government organizations.

4.2 All purchases by the CORPORATION of Capital Assets will be capitalized and depreciated over their useful lives in accordance with generally accepted accounting principles following the City's Capitalization and Depreciation Policy.

4.3 All Capital Assets will be depreciated utilizing the straight-line method of depreciation.

4.4 All purchases by the CORPORATION of vehicles and equipment with an original cost of less than \$5,000 will be expensed in the year purchased and recorded in the appropriate expense account.

4.5 To the extent that the aforementioned policies are different from the City's capitalization and depreciation policies, the CORPORATION will work with the Office of the City Comptroller to reconcile the financial statements to the City's CAFR format.