

## CAPITALIZATION POLICY

### RESOLUTION TO ESTABLISH A CAPITALIZATION POLICY FOR THE HOUSING AUTHORITY OF FRISCO, TEXAS.

WHEREAS, the Housing Authority of Frisco desires to establish a Capitalization Policy covering property purchases of this Authority.

WHEREAS, all items of property purchased with an initial cost of \$750.00 or more will be capitalized, provided that item is not a replacement part for a larger piece of equipment, for which the total cost had previously been capitalized. However, items of property with a cost of \$750.00 or more for which the useful life is less than two (2) years shall not be capitalize unless necessary for control purposes.

WHEREAS, any items of property purchased having a cost of less than \$750.00 which have a useful life in excess of two (2) years and for which reasonable control can be maintained shall also be capitalized.

WHEREAS, the determination of items of property to be capitalized shall be with the Maintenance Supervisors and concurred in by the Executive Director.

WHEREAS, equipment records shall be assigned a property number and shall be so marked. Perpetual inventory cards shall be maintained under the Comptroller. These inventory record cards will contain information as to program purchased for, the type of equipment, purchase order number or contract, date purchased, purchase price, voucher number, accounting classification, code, vendor, serial number, and the location.

NOW, THEREFORE, BE IT RESOLVED by the Housing Authority of the City of Frisco that the aforementioned rules and regulations be and are hereby adopted as a permanent policy of the Housing Authority of Frisco for the capitalization of property purposed of this Authority.