

# EAST RANGE POLICE DEPARTMENT

## CAPITALIZATION POLICY

POLICY  
108

REV 03/10/2025

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### **I. GENERAL INFORMATION**

This accounting policy establishes the minimum cost (capitalization amount) that shall be used to determine the capital assets that are to be recorded in the East Range Police Department's annual financial statements.

A "capital asset" is defined as a unit of property that: (1) has an economic useful life that extends beyond 12 months; **and** (2) was acquired or produced for a cost of \$5,000.00 or more. Capital Assets must be capitalized and depreciated for financial statement purposes.

### **II. POLICY**

The East Range Police Department establishes \$5,000.00 as the threshold amount for minimum capitalization. Any items costing below this amount should be expensed in the East Range Police Department's financial statements.

All Capital Assets are recorded at historical cost as of the date acquired.

Tangible assets costing below the aforementioned threshold amount are recorded as an expense for the City of Aurora's annual financial statements. Alternatively, assets with an economic useful life of 12 months or less are required to be expensed for financial statement purposes, regardless of the acquisition or production cost.

Invoice substantiating an acquisition cost of each unit of property shall be retained for a minimum of four years.

### **III. REFERENCES AND REVISIONS**

#### **a. REFERENCES**

- i. ERPD policy

#### **b. REVISIONS**

- i. 01/14/2020 – Initial Policy – ERPSB approval date
- ii. 03/10/2025 – ERPSB approval date