



LUMBERJACK RESOURCE CONSERVATION & DEVELOPMENT COUNCIL, INC.

CAPITALIZATION/DEPRECIATION POLICY

Definition of Fixed Asset: Any tangible asset purchased for the day-to-day operations of Lumberjack RC&D Council from which an economic benefit will be derived over a period greater than one year. Fixed assets include items of property and equipment such as computers, vehicles, office furniture, fixtures, and other related technology equipment.

POLICY:

A current record of all assets will be kept at the Administrative Office. This record will include a description of the item along with an audit number, the original purchase price and the purchase date. At the time a fixed asset is acquired, its cost is capitalized unless it has a value of \$500 or less in which case the asset is expensed in the period acquired. Assets greater than \$500 and less than \$10,000 will be capitalized for three years. Assets greater than \$10,000 and less than \$50,000 will be capitalized for seven years. Assets over \$50,000 will be capitalized according to the most commonly used accounting practice.

An accounting of depreciation will be recognized monthly. Each year the list of capital will be reviewed by an independent auditor and depreciated items will be reconciled.

A record of disposals will be kept including audit #, the original price, the disposal date, the disposal means and any costs or sales involved.

The policy is subject to change by a majority vote of the Lumberjack RC&D Council, Inc.

Adopted July 26, 2018.