



Capitalization Policy

It shall be the responsibility of the Executive Director to classify equipment purchased as either expendable or nonexpendable. Nonexpendable equipment, so classified, shall be chargeable as a capital expenditure subject to sound "fixed asset" accounting principles.

In selecting items of equipment to be capitalized as non-expendable the Executive Director shall exercise sound financial control.

The Executive Director shall further consider the nature of the expenditure and the type of purchase.

- Retention of identity when put to use.
- Relatively long service, usually more than one year.
- Sufficient value to justify maintaining inventory records.

The determination as to the selection of items of equipment to be capitalized for financial control purposes shall be based on sound principles of property management after giving full consideration to the advantages of financial control, as contrasted with quantitative control only, and to the factors and standards relating to the characteristics of the property unit, as set out in the foregoing paragraphs.

Accordingly, as a minimum, the criteria established by the Executive Director for the selection of non-expendable items which have an expected life of more than one year and cost \$5,000.00 or more per unit, and all ranges and refrigerators, regardless of cost. Complete property records will be maintained on these items.

Classification of these items shall be under the following categories:

- **all dwelling equipment,**
- **office furniture and equipment,**
- **maintenance equipment,** such as tools, machinery, tractors, snow removal equipment, and lawn care equipment
- **community space equipment,** such as furniture
- **congregate furnishings,** such as furniture
- **automotive equipment,** such as trucks, Bobcats, and utility trailers.
- and **similar items** of a durable nature as nonexpendable equipment for which financial control is to be maintained.

Inventory of Equipment

The Salem Housing Authority shall take a physical inventory of all items of nonexpendable equipment as of September 30th of each year and compare the physical inventory with the inventory records.

If there is a difference between the amounts shown by the records and the amounts obtained through the physical count that is a result of a recordkeeping error, the appropriate adjustment will be authorized by the Executive Director.

However, if the difference is a result of theft, destruction, or obsolescence the difference will be evaluated by the Executive Director. Upon this evaluation and approval of the Board of Directors the appropriate adjustments will be made.

Adopted by the SHA Board of Directors: May 13, 2009
Revised by the SHA Board of Directors: July 11, 2018 (\$1k→\$5K)



John A. Boris, Chairman
Frank J. Milo, Vice Chairman
Peter K. Strout, Second Vice Chairman
Maureen Call, Treasurer

Carol A. MacGown, Executive Director

EXTRACT FROM THE MINUTES OF THE
REGULAR MEETING OF THE BOARD MEMBERS OF THE
SALEM HOUSING AUTHORITY HELD ON
WEDNESDAY, JULY 11, 2018 AT 6:00 P.M.

The BOARD MEMBERS of the SALEM HOUSING AUTHORITY met in a REGULAR MEETING at the office of the Authority, 27 Charter Street in the City of Salem, Massachusetts on WEDNESDAY, JULY 11, 2018 at 6:00 P.M., the place, hour, and date duly established for the holding of such meeting.

The meeting was called to order at 6:00 p.m. by John A. Boris, Chairman and upon a roll call, the following answered present:

<u>Present</u>	<u>Absent</u>
Maureen Call	(Vacant Seat)
Frank J. Milo	
Peter K. Strout	
John A. Boris	

Also Present: Carol A. MacGown, Anne M. Cameron

The Chairman declared a quorum present.

MOTION

The following resolution was introduced by John A. Boris, Chairman, read in full, and considered:

Peter K. Strout moved to approve the revised Capitalization Policy as presented. Frank J. Milo seconded the motion and the vote was as follows:

<u>Ayes</u>	<u>Nays</u>
4	0

The Chairman thereupon declared the motion carried.

