ASI POLICY STATEMENT #216

POLICY CONCERNING FIXED ASSETS CAPITALIZATION AND DEPRECIATION

Equipment purchases exceeding $5,000.00 and having a useful life of at least two years shall be capitalized.

Newly acquired property will be recorded in the fixed asset system in the month acquired.

Capitalized assets will be depreciated based on the straight-line method of depreciation. Depreciation will be calculated monthly and posted to the general ledger at both month end and fiscal year end.

Expenditures extending the useful life of capitalized equipment will be capitalized. Expenditures that do not extend the useful life of a capitalized asset will be recorded as an operating expense.

A physical inventory of capital assets will be conducted annually independent of accounting personnel responsible for maintaining the fixed asset system.