

## **SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

### **CAPITALIZATION POLICY**

**PURPOSE:** To provide a clear definition of a fixed asset, equipment and inventory control for the Seneca County Industrial Development Agency (SCIDA).

**SCOPE:** Fixed assets are defined as those properties SCIDA retains more or less permanently, not for sale, but for utilization in the normal course of operations. Fixed assets will always imply tangible fixed assets and the general accepted practice is to record fixed assets at their historical acquisition cost. The cost of a fixed asset is the acquisition cost and does not include any expense for transporting the asset to the proper location and placing it in the condition necessary for its intended use. Only items costing two thousand five hundred dollars (\$2,500.00) or more will be inventoried. All items under the two thousand five hundred dollar cost shall be considered supplies and inventory, managed by staff within the agency.

#### **PROCEDURES:**

**Ordering:** Ordering of items will comply with the IDA Procurement Policy.

**Tagging:** The IDA Office Manager will tag each fixed asset item at time of receipt.

**Balance Sheet:** The IDA Office Manager will advise the IDA Bookkeeper of the receipt of a fixed asset item and the IDA Bookkeeper will add the fixed asset item to the Balance Sheet.

**Inventory Control:** The IDA Office Manager will enter each new fixed asset item at the time of receipt onto the IDA Inventory Control Register. In addition, the IDA Office Manager will conduct an inventory review of all items on the IDA Inventory Control Register during the month of November of each year. Results of the inventory will be documented and available for review during the yearly audit.

**USEFUL LIFE:** The definition of a useful life is the estimated period of economic worth of an asset in an organization. Useful life is used when determining depreciation. For this determination, refer to the McKinney's Consolidated Laws of New York Annotated Book 33 Local Finance Law.

**DISPOSAL OF FIXED ASSETS:** When an item is determined to be beyond its useful life and is disposed of, the IDA Inventory Register will be annotated with date of disposal and reason. A listing of disposed assets will be approved by the IDA Board in December of each year.

Adopted 10/25/12

Reviewed and Approved Annually