

POLICY NO. 88
BOARD OF COUNTY ROAD COMMISSIONERS
OF THE
COUNTY OF ST. CLAIR

SUBJECT: Fixed Asset Policy

ADOPTED: September 21, 2004

Definitions:

Capital Assets – Equipment items and furnishings with a purchase price greater than \$1,000 AND a useful life greater than one (1) year and ALL EQUIPMENT ITEMS (regardless of purchase price or useful life) that have a Schedule C code and rate.

Depreciation – The allocation of the cost of a capital asset over its estimated economic life.

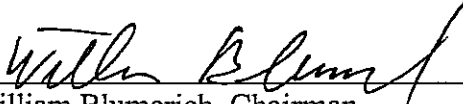
Capital Asset Account Group – The Capital Asset Account Group is not a fund because it does not account for available financial resources or governmental obligations. The Capital Asset Account Group may include a variety of general capital assets such as land, land improvements, buildings, equipment, vehicles and infrastructure assets.

Policy:


It is the policy of the St. Clair County Road Commission to follow generally accepted governmental accounting practices. Governmental GAAP for Michigan County Road commissions requires that certain types of purchases be capitalized and depreciated, rather than expensed at the time of purchase. It is the purpose of this policy to set the parameters to define when purchases should be expensed and when they should be capitalized and depreciated and to define the necessary record keeping requirements.

All depreciable assets must be entered in the Inventory and Insurance Log or the current computer system Capital Asset Program and the Capital Asset Account Group. Depreciation expense must be calculated manually or through the monthly program in the current computer system for Schedule C assets and recorded in the operating accounts.

Other items with an inherent misappropriation risk (ie., computer equipment, chainsaws, drills, tool kits, etc.) which do not meet the definition of a capital asset above, will still be maintained on a list solely used for inventory purposes.



William Blumerich, Chairman



Donald M. Maronde, Managing Director