

CAPITALIZATION POLICY

This Policy shall be adopted for financial reporting purposes. This policy applies to the Flossmoor Public Library and includes asset accounts for Property and Equipment (fixed assets) and related Accumulated Depreciation. The policy also applies when determining whether to record general fixed assets and related accumulated depreciation on the Library's financial statements. Effective May 1, 2004, tangible assets purchased by the Flossmoor Public Library shall be capitalized if all of the following criteria are met.

1. Purchase Price

A. Shelving shall be categorized into three areas: adult, audio/visual and youth. Each area of shelving has a price threshold of \$5,000 or greater.

B. Non-infrastructure (other than shelving): The total purchase price including all capitalizable costs of the asset is \$5,000 or greater.

C. Infrastructure: The total purchase price including all capitalizable costs of the asset is \$50,000 or greater.

2. Application of Purchase Price Thresholds

The purchase price thresholds listed in item 1.B. and 1.C. above are applied to individual items and not to groups of items.

3. Useful Life

The asset has a useful life of at least 1 year.

Revised by the Board of Trustees: November 11, 2014
Reviewed by the Board of Trustees: November 12, 2019
Reviewed by the Board of Trustees: July 12, 2022
Reviewed by the Board of Trustees: June 10, 2025