

Middlebury Township Written Capitalization Resolution
Resolution 2014-07

Whereas, The accounting policy establishes the minimum cost (capitalization amount) that shall be used to determine the capital assets that are to be recorded in **Middlebury Township's** annual financial statements (or books).

Whereas, A "Capital Asset" is defined as a unit of property that: (1) has an economic useful life that extends beyond 12 months; **and** (2) was acquired or produced for a cost of \$1,000.00 or more. Capital Assets must be capitalized and depreciated for financial statement (or bookkeeping) purposes.

Therefore, Be it resolved, **Middlebury Township** establishes \$1,000.00 as the threshold amount for minimum capitalization. Any items costing below this amount should be expensed in **Middlebury Township's** financial statements (or books).

All Capital Assets are recorded at historical cost as of the date acquired.

Tangible assets costing below the aforementioned threshold amount are recorded as an expense for **Middlebury Township's** annual financial statements. Alternatively, assets with an economic useful life of 12 months or less are required to be expensed for financial statement purposes, regardless of the acquisition or production cost.

AND Invoice substantiating an acquisition cost of each unit of property shall be retained for a minimum of four years.

This resolution was offered by Supervisor Herendeen and supported by Trustee Givens.

Roll Call Vote as follows:

AYE: Tomasek-Swan, Stevens, Givens and Herendeen

NAY: None

ABSENT: Kiger

The Supervisor declares the resolution adopted.

Clerk

I, Susan Tomasek-Swan, the duly elected and acting Clerk of Middlebury Township, hereby certify that the foregoing resolution was adopted by the Township Board of said Township at the regular meeting of said Board held on September 10, 2014 at which meeting a quorum was present, by a roll call vote of said members as hereinbefore set forth; that said resolution was ordered to take effect immediately.

Susan K Tomasek Swan , Clerk