

## STATEMENT OF CAPITALIZATION POLICY AND CRITERIA

This Statement of Capitalization Policy is established for Fort Mill Housing Services, Inc. June 18, 2018

This policy is being established for the purpose of stating the Capitalization Criteria in determining, distinguishing and recording expendable and non-expendable equipment and personal property purchased or acquired in connection with the development, management and the maintenance of the Public Housing Project owned and/or operated by the Housing Authority of Fort Mill.

1. If the initial cost of the equipment and/or personal property is **\$2,000.00** or more or the anticipated life or useful value of said equipment or property is more than one year, the same shall be capitalized and recorded as non-expendable equipment and chargeable as a capital expenditure.
2. If the initial cost of the equipment and/or personal property is **\$2,000.00** or its useful life is less than one year regardless of cost, the same shall be treated and recorded as expendable equipment and chargeable to maintenance or other appropriate expense.
3. The Executive Director is hereby authorized and directed to make determinations upon the purchase of equipment and other personal property that is acquired by the Authority in connection with the development, management and maintenance of the projects owned and/or operated by the Authority, the property that is expendable, non-expendable, pursuant to the criteria established in 1 and 2 above, and cause the same to be documented in the appropriated records of the Authority and retained for the information and guidance of its personnel and for audit purposes.
4. The Executive Director is hereby authorized and directed to make determinations on a basis for application of the Capitalization Criteria with respect to the acquisition of non-expendable personal property, in those instances where the dollar value and/or the anticipated useful life is less than reflected in 1 and 2 above, but where capitalization of the specific equipment would afford, within reasonable limits, more desirable administrative control over the equipment