

CAPITALIZATION POLICY

The Allen Park Housing Commission adopts the following capitalization policy for the purpose of determining, distinguishing and recording materials and non-expendable equipment and personal property purchased or acquired in connection with the developments owned or operated by this commission.

1. **Non-expendable:** If the initial cost of a piece of equipment and/or other personal property is twenty-five hundred dollars (\$2,500.00) or more and the anticipated life or useful value of said equipment or property is more than 1 year, the same shall be capitalized and charged as a capital expenditure.
2. **Materials/Inventory:** If the initial cost of the piece of equipment and/or personal property is less than twenty-five hundred dollars (\$2,500.00) or its useful life is less than one (1) year regardless of cost, the same shall be treated and recorded as materials or inventory and charged to maintenance, administration or tenant service expense.
3. The Executive Director or the Executive Director's designee, is authorized and directed to determine whether each piece of equipment or other personal property that is acquired by the Housing Commission is connected with the development, management and maintenance of the properties owned or operated by the Housing Commission, shall be classified as material or non-expendable, as defined in preceding sections. The Executive Director is further directed to ensure that the determination is documented in the appropriate records of the Housing Commission and retained for the information and guidance of its personnel and for audit purposes.