

Great Barrington Housing Authority Capitalization Policy

The purpose of the Capitalization Policy of the Great Barrington Housing Authority (GBHA) is to determine, distinguish and record materials and non-expendable equipment and personal property or acquired in connection with the development, management and maintenance of public housing developments owned or operated by the GBHA.

- A. If the initial cost of a piece of equipment and/or other personal property is Five Thousand Dollars (\$5,000.00) or more (excluding stoves and refrigerators) and the anticipated life or useful value of said equipment or property is more than one (1) year, the same shall be capitalized and recorded as non-expendable equipment and charged as a capital expense. Stoves and refrigerators are exempt from this policy as it is assumed that the useful life shall be greater than one year.
- B. If the initial cost of the piece of equipment and/or property is less than \$5,000.00 (excluding stoves and refrigerators) 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.
- C. The Executive Director or Executive Director's designee, is authorized and Directed to determine whether each piece of equipment or other property that is acquired by the housing authority in connection with the development, management and maintenance of the properties owned or operated by the GBHA shall be classified as material or non-expendable as defined in A and B above. The Executive Director is further directed to ensure that the determination is documented in the appropriate records of the GBHA and retained for the information and guidance of its personnel and for audit purposes.