

Capitalization Threshold Policy

A fixed asset is any tangible asset purchased for use in the day-to-day operations of _____ from which an economic benefit will be derived over a period greater than one year. Fixed assets include items of property and equipment such as buildings, leasehold improvements, office furniture, fixtures, computers and other related technology equipment. At the time a fixed asset is acquired, its cost is capitalized unless it has a value of \$500 or less in which case the asset is expensed in the period acquired. Amounts paid for property with an estimated useful life of 12 months or less with a value of \$500 or less are expensed in the period acquired as well. Management will periodically review these levels and make any modifications necessary.

This policy was approved by:

Name

Title

Date