

# TOWN OF SIMSBURY

## CAPITAL ASSET POLICY

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### THRESHOLDS

#### CAPITALIZATION (GFOA RECOMMENDED)

	GFOA Recommended	Simsbury BOF Approved
<u>EQUIPMENT:</u>	\$ 5,000	\$ 5,000
<u>IMPROVEMENTS</u>	\$ 20,000	\$ 20,000
Ex. Building modifications or additions, parking lot expansion		
<u>INFRASTRUCTURE</u>	\$100,000	\$100,000
Ex. New roads, sewer lines, curbs, storm drains, bridges, water lines, dams		

### ACCOUNTABILITY

EQUIPMENT OTHER THAN COMPUTERS XXXX

COMPUTER EQUIPMENT XXXX

These will not be capitalized unless they meet the thresholds as defined above. They will be inventoried for insurance purposes.

### POLICY ON GROUP PURCHASES

A total purchase for an amount greater than the thresholds defined above, which consists of more than one item purchased, with individual items which are below the threshold, **will not** be capitalized

Ex. More than one computer  
Multiple desks and chairs

### ROAD IMPROVEMENTS

Resurfacing is considered to be road maintenance. Improvements that expand capacity are to be capitalized.

Ex. Changing a one lane road to 2 or adding a turning lane or paving an unimproved road.

### OTHER IMPROVEMENTS

Replacing a roof, carpeting, windows (unless the replacement has other benefits) are considered maintenance and should not be capitalized.

If the improvement increases capacity, use or significantly increases the useful life, then it should be capitalized if it is over the threshold

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### **RECORDING OF ASSET**

Assets will be recorded individually to the extent possible to ensure proper accountability, accurate depreciation, and to allow for specific identification for recording of disposition.

### **DONATED ASSETS**

Donated assets are to be recorded at the fair market value at the date of gift. Department Heads are responsible for completing the fixed asset addition form for all assets donated above the capitalization and accountability thresholds.

### **DEPRECIABLE LIVES**

Depreciable lives should be based upon actual expected use by the Town, not by tax lives or other general estimates. An attempt should be made to set the depreciable lives to coincide with the Town's capital replacement program.

Department heads should be consulted on the specialty equipment used by their departments for depreciable lives.

For Construction in Progress, update the asset record from the previous year until the asset is complete and transferred to the appropriate category.

# TOWN OF SIMSBURY

## CAPITAL ASSET DISPOSAL POLICY

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### **For assets with cost of \$5,000 or greater**

For all assets over \$5,000, disposal will require completion of the fixed asset disposal form and approval by the Finance Department. In no circumstance may an asset be disposed of without prior approval.

To the extent possible, the Department Head will complete all data on the Fixed Asset Disposal Form, and submit for approval. Upon approval the assets may be disposed of by the approved manner appropriate in the circumstance (trash, sale, trade in).

### **Asset Impairments**

If an asset has suffered a significant impairment in function or useful life due to level of use, accident or other damage, the event with and estimated effect of the impairment and any intent to repair or return the asset to original operating condition should be reported to the Finance Department.

# TOWN OF SIMSBURY

## FIXED ASSET ADDITION DATA ENTRY FORM

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ASSET DESCRIPTION: \_\_\_\_\_

ASSET NUMBER (IF APPLICABLE): \_\_\_\_\_

DATE OF ACQUISITION: \_\_\_\_\_

COST: \_\_\_\_\_

USEFUL LIFE: \_\_\_\_\_

SALVAGE VALUE: \_\_\_\_\_

SERIAL NUMBER: \_\_\_\_\_

TYPE OF ASSET: \_\_\_\_\_

TOWN DEPARTMENT: \_\_\_\_\_

LOCATION OF ASSET: \_\_\_\_\_

SOURCE OF FUNDS: \_\_\_\_\_  
(TAXES, GRANTS, BONDS, DONATIONS)

CAPITALIZATION OR ACCOUNTABILITY POLICY \_\_\_\_\_

ENTERED BY: \_\_\_\_\_

# TOWN OF SIMSBURY

## FIXED ASSET DELETION DATA ENTRY FORM

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ASSET DESCRIPTION: \_\_\_\_\_

ASSET NUMBER (IF APPLICABLE): \_\_\_\_\_

DATE OF ACQUISITION: \_\_\_\_\_

COST: \_\_\_\_\_

SERIAL NUMBER: \_\_\_\_\_

TYPE OF ASSET: \_\_\_\_\_

TOWN DEPARTMENT: \_\_\_\_\_

LOCATION OF ASSET: \_\_\_\_\_

SOURCE OF FUNDS: \_\_\_\_\_

(TAXES, GRANTS, BONDS, DONATIONS)

REASON FOR DISPOSITION: \_\_\_\_\_

TYPE OF DISPOSITION:       SALE                   \_\_\_\_\_

                                  DISCARDED           \_\_\_\_\_

                                  DONATED             \_\_\_\_\_

                                  OTHER                \_\_\_\_\_

ENTERED BY: \_\_\_\_\_

REQUESTED BY: \_\_\_\_\_

APPROVED BY: \_\_\_\_\_