

**Town of Newcastle
Capitalization Policy**

Purpose: A Capitalization Policy is hereby established for the Treasurer to have a benchmark or threshold by which to define the dollar value of a capital asset and to report all items of said value or greater, as required by the Government Accounting Standards Board, Statement 34, governing the preparation and audit of basic financial statements for state and local governments.

Policy: Under this policy capital equipment at the Town of Newcastle shall be any property designated tangible and of material value and non-expendable, having a useful life of one year or more and an acquisition cost of \$5,000 or greater per unit or item. Although the Town may possess smaller assets of considerably less value these items shall not meet the Town's capitalization policy. However, the Town will maintain inventory records accordingly. For capital assets acquired and used by the Town in the operations of governmental fund type accounts, the value of the assets will be recorded in the Town's General Capital Assets Subsidiary Account.

Enactment: This policy will be implemented upon a majority vote of the Board of Selectmen. Any change or amendment to the policy will also require a majority vote by the Board of Selectmen.

Date of Adoption: 12-28-09

Ellen McFarland _____

Chairperson

Robert Plourde _____

Vice Chair

Patricia Hudson _____

Lee Straw _____

Ellen Dickens _____

Policies/Policy Capitalization