

Policy: Capitalization Policy

Policy Number: 12.1

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Tangible personal property acquired with non-grant funds and with unit costs in excess of \$5,000 with a life expectancy of greater than one year shall be capitalized as fixed assets on the financial statements. Items with unit costs below this threshold shall be expensed in the year purchased.

Tangible personal property (including information technology systems) purchased with federal and/or state grant funds that have a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5,000 is managed under the rules and regulations of 45 CFR Part 75, Section 1002.84(11), Florida Statutes, and Office of Early Learning Program Guidance 240.02.

Assets with fair market values in excess of \$5,000 (per unit) that are donated to Children's Forum, Inc. shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year donated.

Donated capitalized assets are accounted for at their market value at the time of donation and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives.