

Motion to Approve Capitalization Policy

WHEREAS, Marlborough Community Development Authority establishes an equipment capitalization and depreciation policy for the purpose of distinguishing and recording materials and non-expendable equipment purchased or acquired through the Authority. This policy is in compliance with the reporting methods outlined by the Governmental Accounting Standards Board (GASB), as well as Massachusetts Department of Housing and Community Development (DHCD) regulations and guidelines.

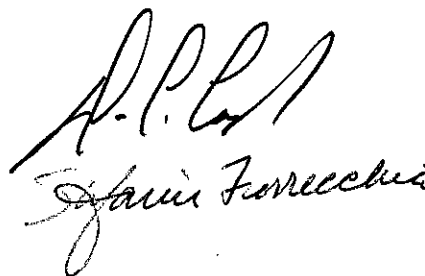
WHEREAS, equipment possessing a useful life of greater than one year and an acquisition cost of \$5,000.00 or more per unit, will be capitalized and depreciated over a five (5) year period. The MCDA will utilize the straight-line depreciation method.

WHEREAS, MCDA will establish a custodial inventory system for all stove and refrigerator purchases. The MCDA will create a custodial inventory listing, in which all equipment purchases costing over \$250 will be recorded. Items in the custodial inventory system will not be capitalized, but instead expensed. The MCDA has maintained an equipment record system, in which a physical inventory is taken on an annual basis. The physical inventory is reconciled to the general ledger.

THEREFORE, this policy shall be effective for all MCDA programs, beginning July 1, 2016, and continuing for all subsequent fiscal years.

MCDA Members Present: 4 MCDA Members Absent: 0

Signatures of MCDA Members Approving this Motion:



Douglas M. Bushman, Executive Director
Marlborough Comm. Development Authority

Date 6-30-2016

