



SMOKY LAKE COUNTY

Title: Capitalization Thresholds	Policy No.: 21-01
Section: 08	Page No.: 1 of 1

Legislation Reference:	Public Sector Accounting Board
-------------------------------	--------------------------------

Purpose:	To address the threshold levels for capitalizing asset purchases.
-----------------	---

Policy Statement and Guidelines:

DEFINITION:

Capitalization Threshold: is defined as the minimum value of an expenditure which meets the criteria of a tangible capital asset and will be recorded as a tangible capital asset.

1. There will not be a capitalization threshold for “Land”.
2. All assets within a major asset class should have the same capitalization threshold.
3. Expenditures that meet both the criteria of a tangible capital asset and exceed the following suggested capitalization thresholds are to be recorded as a tangible capital asset:

ASSET DESCRIPTION	RURAL MUNICIPALITY
Land	-
Land Improvements	5,000
Buildings	50,000
Engineered Structures	50,000
Machinery and Equipment	5,000
Vehicles	5,000

4. If the asset is out of the direct control of the County, but the County still retains ownership and maintenance of the asset then the capitalization threshold will be doubled.

	Date	Resolution Number
Approved	June 14, 2007	# 455-07 - Page # 8377
Amended		# - Page #
Amended		