



**THE HOUSING AUTHORITY OF GLOUCESTER COUNTY**

# **CAPITALIZATION POLICY**



July 25, 2018  
Resolution #18-54

7/25/2018

**The Housing Authority of Gloucester County**  
**Capitalization of Equipment and Inventory Policy**  
Effective January 1, 2018

This Capitalization of Equipment and Inventory Policy is adopted in accordance with the Housing Authority of Gloucester County's (HAGC) Procurement Policy and Federal Regulation, 2 CFR Part 200.439, *Equipment and other capital expenditures*. The purpose of this Policy is to determine and record materials and equipment purchased or acquired in connection with the management and maintenance of HAGC and its owned/managed entities.

**Capitalization**

All tools, furnishings, office machines, refrigerators, ranges and freezers, and free-standing equipment with a cost of \$300 or more shall be listed in the Equipment List maintained by the Purchasing Technician.

All tools, furnishings, office machines, refrigerators, ranges and freezers and free standing equipment with a cost of \$2,000 or more shall be listed in the Fixed Asset/Equipment Ledger and are to be capitalized for accounting purposes. Items with unit costs below this threshold shall be expensed in the year purchased.

The acquisition of capital assets should be organized to ensure that no unauthorized acquisitions have been made and that records of each acquisition are accurate, complete, and recorded in the appropriate period.

**Equipment Inventory**

All capitalized fixed assets shall be recorded in an Equipment Inventory Ledger.

The Equipment Inventory Ledger is for inventory control purposes only and should be updated on a monthly basis by the Purchasing Technician. See attached Inventory Inspections Memo, 18-04, for guidance on conducting inspections of Authority inventory.

The Finance Director is responsible for capitalizing required items in the general ledger. Additionally, a separate Fixed Asset/Equipment Ledger is to be maintained which supports the capitalization of all items in the general ledger. This Ledger shall include the following information with respect to each asset:

1. Date of Acquisition
2. Cost
3. Description
4. Location of asset
5. Deprecation method
6. Estimated useful life

Any differences disclosed by the reconciliation should be investigated and resolved.

The inventory must be reconciled to the Fixed Asset/Equipment Ledger and the Equipment Inventory Ledger, as appropriate.

Upon authorization by Board Resolution, equipment may be disposed of in accordance with the Authority's "Disposition Policy" as contained within the Procurement Policy.