

RESOLUTION 2013 - 05

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWNSHIP OF HOPEWELL, BEAVER COUNTY, A FIRST CLASS TOWNSHIP UNDER THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, ADOPTING AND SETTING FORTH A THRESHOLD FOR CAPITALIZATION OF ASSETS**

**WHEREAS**, The Township of Hopewell ("Township") currently maintains a threshold for capitalization of assets of five thousand (\$5,000.00) Dollars; and

**WHEREAS**, the Township Auditors have recommended and advised that the Township increase this threshold to Ten Thousand (\$10,000.00) Dollars and the Township desires to adopt that recommendation.

**NOW, THEREFORE**, the Township of Hopewell, in accordance with the recommendation of the Township Auditors, hereby resolves that the following policy for the capitalization of assets is adopted.

**CAPITALIZATION POLICY FOR CAPITAL ASSETS**

A capital asset is a piece of property that meets all of the following requirements:

1. The asset is tangible and complete.
2. The asset is used in the operation of the Municipality.
3. The asset has a useful life of longer than the current fiscal year.
4. The asset is of significant value.

Capital assets may be acquired through donation, purchase or may be self-constructed. The asset value for donations will be the fair market value at the time of the donation. The asset value, when purchased, will be the initial cost plus the trade-in value of any old asset given up, plus all costs related to placing the asset into operation. The cost of self-constructed assets will include all costs of construction.

The following threshold values will be used for the designated classes of assets:

<u>Class of Capital Asset</u>	<u>Significant Value</u>
Machinery & Equipment	\$10,000 or more
Buildings & Building Improvements	\$15,000 or more
Infrastructure & Land Improvements	\$20,000 or more
Land	Any amount

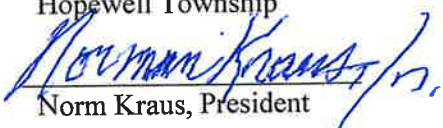
- If a department has a grant with a contractual capitalization threshold then any such requirement shall supplant and override the Township's threshold.

This Resolution is effective and adopted this MAY 6<sup>th</sup> 2013 day of 2013.

Date: 5/6/13

ATTEST:

  
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Andy Brunette, Manager

Board of Commissioners  
Hopewell Township  
  
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Norm Kraus, President