Community Foundation of the Dan River Region
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Capital Assets Capitalization Policy

Board Approved June 13, 2022

I. DEFINITIONS:

Capital Expenditure – An item (or group of similar items) that is purchased, with a cost of at least $5,000 that will benefit more than one year, is a capital expenditure. All capital expenditures will be depreciated according to generally accepted accounting principles.

II. POLICY:

A. From time to time it will be necessary to purchase items that have a material value. When an item purchased costs $5,000 or more, then the cost of the item will be treated as a capital expenditure.

B. Depreciation will begin the month of purchase and will cease at the end of its useful life, or upon disposition, whichever comes first. The depreciation will be calculated using the straight-line method of depreciation. Capital assets will depreciate as follows:

- Computers and software of $5,000 or more over three years
- Office furniture and office equipment of $5,000 or more over five years
- Real property over 40 years
- Other capital assets of $5,000 or more, useful life to be determined at time of purchase

C. Management is responsible for protecting and maintaining fixed assets in good working position using reasonable methods and procedures.

Revision History: Adopted by Board in 2010; revised and approved by Board 6.25.2018; revised and approved by Board 6.13.2022