

<p style="text-align: center;"><b>MIDLOTHIAN PUBLIC LIBRARY CAPITAL ASSET POLICY</b></p>
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**I. PURPOSE**

The purpose of this capital asset policy is to provide control and accountability over capital assets, and to gather and maintain information needed for the preparation of the financial statements.

**II. CAPITALIZATION OF EXPENDITURES**

It is the policy of Midlothian Public Library to recognize the expense of assets in the current accounting period, with the exception of assets with a useful life in excess of one year and an acquisition cost of over \$1,000. Acquisition cost is the unit price of an item, including the cost of any required installation, modifications, attachments, accessories or auxiliary apparatus necessary.

In general, capitalized items will be depreciated using the straight-line method and the following useful lives:

Buildings	25-40 years
Building improvements	10-40 years
Furnishings and equipment	5 years
Vehicles	7-10 years

All capitalized items disposed of will be eliminated from the accounting records at least annually. Any remaining net asset value (original cost less accumulated depreciation) will be written off at that time.

**III. MAINTENANCE OF A CAPITAL ASSET LISTING**

All capital assets shall be recorded in an excel database system maintained by the Business Manager. This system shall include the following information with respect to each asset:

1. Date of acquisition
2. Cost
3. Description
4. Useful life
5. Current depreciation
6. Accumulated depreciation at end of year
7. Net book value

A physical inventory of all assets capitalized under the preceding policies will be taken on an annual basis by the Business Manager and IT & Marketing Manager under the supervision of the Director. This physical inventory shall be reconciled to the capital assets inventory and discrepancies will be investigated and corrected.

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The Business Manager and IT & Marketing Manager will recommend the retiring of any capital asset to the Director. An attempt will be made to determine the fair market value of the asset, and if the value cannot be established, the asset will be offered to staff, donated, or disposed of in an environmentally appropriate manner.

Adopted 11/2021, Reviewed 9/2022, 9/2023