

## **2.5 Capital Asset Policy**

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The purpose of the Capital Asset Policy is to present a uniform method of maintaining and updating the Poudre River Public Library District's capital asset property records. The incorporated principles are in accordance with Generally Accepted Accounting Principles (GAAP).

It is the policy of the Poudre River Public Library District to record Capital Asset items using a capitalization threshold of \$5,000 for all individual items. Capital Assets represent land, buildings, vehicles, equipment and materials owned by the District and acquired by purchase or donation. The materials, specifically books and audio-visual materials of lasting value, will be recorded in aggregate at year-end for inclusion in the Capital Asset records.

In accordance with Colorado State Statute, C.R.S. 29-1-506, an inventory of such assets will be performed each year. The inventory of capital assets will be reconciled annually to the general ledger, and any differences reconciled and adjusted.

A disposition of capital assets represents the physical removal of an asset from custody or accountability. In accordance with Colorado State Statutes (CRS 24-90-109), any asset with a value of over \$1,000 can be disposed of in one of four ways: donated, scrapped, sold, or traded. If the asset is conveyed to a state agency or political subdivision of the state or a non-profit entity, the determination can be made by the Executive Director or the Finance Officer. The conveyance of an asset to any outside business or commercial entity must be approved by the Board of Trustees. Unless offered to the public at large, a capital asset cannot be sold or donated to a private party or employee.

Weeded collection materials, which are considered to be capital assets in the aggregate, shall be donated to the Poudre River Friends of the Library. The Friends are authorized to make the final determination as to the disposition of these materials.

Computer equipment, when obsolete and not subject to donation, will be recycled, according to legislation prohibiting the wholesale dumping of such equipment.

ADOPTED: May 10, 2010