**SYRACUSE-TURKEY CREEK TOWNSHIP PUBLIC LIBRARY**

**RESOLUTION ESTABLISHING A CAPITAL ASSET POLICY**

Having recognized by the Library Board of the Syracuse-Turkey Creek Public Library, Indiana that:

**Whereas**, the Library Board is the governing body of the Syracuse-Turkey Creek Public Library, in Kosciusko County, in the State of Indiana, and

**Whereas**, the Library Board of the Syracuse-Turkey Creek Public Library, Indiana so desires to establish a capitalization policy for the Library and its various Funds.

**Now therefore**, be it authorized by the governing body of the Syracuse-Turkey Creek Public Library in Kosciusko County, in the State of Indiana, to create the new policy referred to as the Capital Asset Policy.

The library will establish a **Capital Assets Policy** in order to safeguard its investment in capital assets and to be able to demonstrate accountability to citizens, oversight bodies, and regulators.

**Section 1.** **DEFINITIONS AND PROVISIONS**

For the purpose of this Resolution, the following definitions shall apply.

“Fixed Assets” Tangible assets of a durable nature employed in the operating activities of the unit, are relatively permanent and are needed for the production or sale of goods or services. This group is usually separated into classes according to the physical characteristics of the items (e.g. land, buildings, improvements other than buildings, furniture and equipment, furniture and fixtures).

“Capital Outlays” Expenditures which benefit both the current and future fiscal periods. This includes the cost of acquiring land or structures; construction or improvement of buildings, structures or other fixed assets; and equipment purchases having an appreciable and calculable period of usefulness. Other items include works of art, artifacts, memorabilia, rare documents, books, and photographic, audio and video recordings. These are expenditures resulting in the acquisition of or addition to the library’s general fixed assets.

LAND

The Syracuse-Turkey Creek Public Library will capitalize all land purchases, regardless of cost.

FURNITURE AND EQUIPMENT

Furniture and equipment include fixed or moveable personal property to be used for operations, which have a life of greater than one year.

The Syracuse-Turkey Creek Public Library will capitalize items with an individual value equal to or greater than $100.00. Office, cleaning, and maintenance supplies are excluded.

BUILDINGS

The library will capitalize buildings at full cost with no subcategories for tracking the cost of attachments. Examples of attachments are roof, heating, cooling, plumbing, lighting or sprinkler systems, or any part of the basic building. The library will include the cost of items designed or purchased exclusively for the building.

Capital building costs will include preparation of land for the building, architectural and engineering fees, bond issuance fees, interest costs (while under construction), accounting cost if material and any costs directly attributable in the construction of the building.

IMPROVEMENTS OTHER THAN BUILDINGS

The definition of this group is improvements to land for better enjoyment, attached or not easily removed, and will have a life expectancy of greater than five years.

Examples of this are walks, parking areas and drives, fencing, retaining walls, planters, underground sprinkler systems, and other similar items.

HISTORICAL COSTS

The cash equivalent price for exchanged goods or services at the date of acquisition; Land, buildings, equipment, and most inventories are common examples of items recognized under the historical cost attribute.

**Section 2. RECORDING AND ACCOUNTING**

The cost of property, buildings, and equipment includes all expenditures necessary to put the asset into position and ready for use. For purposes of recording fixed assets of the Library and its Departments, the valuation of assets shall be based on historical cost or where the historical cost is indeterminable, by estimation for those assets in existence.

The Library shall record acquisition of Fixed Assets in accordance with generally accepted accounting principles. When an asset is purchased for cash, the acquisition is simply recorded at the moment of cash paid, including all outlays relating to its purchase and preparation for intended use. Assets may be acquired under a number of other arrangements including:

Assets acquired for a lump-sum purchase price, self-construction, or by donation.

In addition, an asset register shall be maintained to provide a detailed record of the governmental unit.

**Section 3. SAFEGUARDING OF ASSETS**

Be it established that accounting controls be designed and implemented to provide reasonable assurances that:

1. Capital expenditures made by the Library and its various Departments are in accordance with the Library Board’s authorization as documented in the Purchasing Policy.
2. Adequate detailed records are maintained to assure accountability for Library assets.
3. The recorded accountability for assets be compared with the existing assets at least every two years.

**Endorsed and passed by the Library Board of the Syracuse-Turkey Creek Public Library February 27, 2017**