

Capital Asset Policy

Definition

Capital assets are land; infrastructure; buildings; improvements other than buildings; machinery, equipment, and vehicles; construction work in progress; books, and other. Capital assets with an estimated useful life of more than one year and an original cost of \$10,000 or more will be accounted for as capital assets. Art with a value of \$1,000 or more will also be considered a capital asset as well as the aggregate of all books and similar materials with a useful life of more than one year, regardless of the original cost, will be considered capital assets.

Valuation of Capital Assets

Capital assets should be recorded at actual cost. Normally the cost recorded is the purchase price or construction cost of the asset but also included is any other reasonable and necessary cost incurred to place the asset in its intended location and intended use that can be directly related to the asset. Donated or contributed assets should be recorded at their fair market value on the date donated or acquired.

Asset Definitions by Category

Accurate records will be maintained by asset category.

Land

This is a record of land owned, location, acquisition date, and cost (purchase price). If this is not available, then the appraised or insurance value will be used.

Infrastructure

This is the cost and location of each road, bridge, tunnel, drainage system, water, wastewater or storm water system, dam, or lighting system.

Buildings

All structures designed and erected to house equipment, services, or functions of the Library are included in this category. This includes systems, services, and fixtures within buildings and attachments such as porches, lighting fixtures, flagpoles, and other such units that serve the building. Plumbing systems, lighting systems, heating and cooling, ventilating and air handling systems, alarm systems, sound systems, surveillance systems, elevators, fixed shelving and other fixed equipment are included with buildings. A record of the location and cost value (purchase or construction cost) of each building will be maintained. If the cost is not available then the appraised or insurance value will be used.

Improvements Other Than Buildings

An acquisition of value that is a permanent improvement, other than buildings, which have been added to land. Examples include parking areas, drives, fencing, retaining walls, fountains, landscaping, etc. The value is recorded at the purchase or construction cost.

Machinery, Equipment & Vehicles

Equipment includes all other types of physical property within the scope of the Capital Asset Policy.

Construction in Progress

This is construction work that is not completed in the current year.

Books and Other

A valuation is given to all books, CDs, DVDs, etc. based on the cost entered into the Library automation system. Art with a value of \$1,000 or more based on purchase price, appraisal or insurance will be used.

Asset Transfers and Dispositions

Property should not be transferred, turned in for auction, or disposed of without prior approval of the Library Director or their designee. Information concerning the disposal or transfer will be sent to the Administrative Office using inventory@munpl.org. Transfers are defined as any movement of an asset. If an asset is stolen a police report should be promptly filed.

Inventories

An inventory will be maintained of the capital assets and for accountability and safeguarding of walk away assets that have a value of \$500 or more by asset category. This will include furniture, computers, printers, maintenance equipment, and similar items. Items composed of multiple components in which no one item is worth \$500 will be excluded.