Poplar Creek Public Library District

Fixed Asset Policy

The Poplar Creek Public Library District (PCPLD) Board of Trustees adopts a fixed asset policy to establish the minimum cost value (capitalization amount) that will be used to determine the capital assets recorded in PCPLD's annual financial statements. This is to be in compliance with the requirements of GASB Statement No. 34

This policy also addresses other considerations for recording and depreciating fixed assets in order to comply with the provisions of GASB Statement No. 34.

Capital Asset definition

Capital assets are defined as tangible and intangible assets that have initial useful lives that extend beyond a single reporting period.

Capitalization method

All capital assets are recorded at historical cost as of the date acquired or constructed. If historical cost information is not available, assets are recorded at estimated historical cost by calculating current replacement cost and deflating the cost using the appropriate price-level index.

Capitalization thresholds

The PCPLD Board of Trustees establishes a minimum capitalization threshold of Five Thousand Dollars ($5000) for fixed assets. Detailed records shall be maintained for all fixed assets.

Other Assets

Detailed records are maintained at the discretion of the Executive Director for all items below the capitalization threshold that should be safeguarded from loss. These items are part of the annual physical inventory. These items include computer equipment and maintenance equipment with value that falls below the established thresholds and any other assets specified by the Executive Director. When large purchases of said items do meet the threshold as a group purchase of like items, they are recorded for depreciation. The library does capitalize the collection (i.e., books, audio visual, and electronic formats).

Depreciation and useful life

The Business Manager will assign an estimated useful life to all assets for the purposes of recording depreciation. Asset lives will be adjusted as necessary depending on the present condition and use of the asset and based on how long the asset is expected to meet current service demands. Adjustments should be properly documented. Depreciation is recorded based on the straight line method using actual month convention and depreciated down the assets salvage value.

Safeguarding and controlling fixed assets

All machinery and equipment, furniture are assigned an asset number and identified with a fixed asset tag. As fixed assets are purchased or disposed of, the department head in custody of that asset is responsible for preparing a fixed asset data sheet, which is then forwarded to the business office to ensure proper recording. A physical inventory will be taken annually and compared to the physical inventory records. The reports will be analyzed by the Business Office where appropriate adjustments will be made to the fixed asset records.

Adopted by the PCPLD Board of Trustees February 16, 2017; 3/21/2019, 5/21/20 , 4/21,22, 2/15/2024