



Legislation Details (With Text)

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3/15/2017	1	Housing Commission	Approved by the Commission	Pass

To Adopt a Capitalization Policy

The Ann Arbor Housing Commission currently has an unwritten \$500.00 capitalization policy for the purpose of determining, distinguishing and recording materials and non-expendable equipment and personal property purchased or acquired in connection with the development, management, and maintenance of public housing developments owned or operated by this Authority. It is recommended that the AAHC adopt a \$5,000 threshold.

- A. If the initial cost of a piece of equipment and/or other personal property is Five Thousand Dollars (\$5000.00) or more and the anticipated life or useful value of said equipment or property is more than one (1) year, the same shall be capitalized and recorded as non-expendable equipment and charged as a capital expenditure.
- B. If the initial cost of the piece of equipment and/or personal property is less than Five Thousand Dollars (\$5000.00) or its useful life is less than one (1) year regardless of cost, the same shall be treated and recorded as materials or inventory and charged to maintenance, administration, or tenant service expense.
- C. The Executive Director or the Fiscal and Administrative Manager, is authorized and directed to determine whether each piece of equipment or other personal property that is acquired by the Housing Authority in connection with the development, management and maintenance of the properties owned or operated by the Housing Authority, shall be classified as material or non-expendable, as defined in the preceding sections. The Fiscal and Administrative Manager will ensure that the determination is documented in the appropriate records of the AAHC and retained for the information and guidance of its personnel and for audit purposes.

Prepared and Approved by Jennifer Hall, Executive Director

WHEREAS, the Ann Arbor Housing Commission has a \$500 threshold for its capitalization policy;  
and

RESOLVED, the Ann Arbor Housing Commission Board approves a threshold of \$5,000 for its capitalization policy for all properties it owns or operates.