

**ACTON HOUSING AUTHORITY
EQUIPMENT CAPITALIZATION AND DEPRECIATION POLICY**

The Acton Housing Authority (AHA) Equipment Capitalization and Depreciation Policy will be in conformity with the Federal Office of Management and Budget (OMB), A-133 Compliance Supplement – Part 3, Section F, Equipment and Real Property Management and Generally Accepted Accounting principles (GAAP). The policy will be effective for all programs and for the conversion to generally accepted accounting principles (GAAP) and consistent with MA Department of Housing and Community Development (DHCD) guidelines.

The AHA will establish a fixed asset ledger for all purchases of capital assets, including property, furniture, equipment, and machinery having a useful life of more than one year and an acquisition cost of \$ 5,000.00 or more per unit, that will be capitalized and depreciated over a FIVE (5) year period. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the time of acquisition. Major outlays for capital assets and improvements are capitalized as projects are constructed. The AHA will use straight-line depreciation method.

The AHA will also include all purchases of capital assets between \$1,000 and \$4,999.99, inclusive of stoves and refrigerators, on the fixed asset ledger but all such items will NOT BE capitalized. The intent of the fixed asset ledger will be to track and monitor both capitalized and non-capitalized capital assets.

This policy shall be effective for all AHA Programs, starting with the fiscal year ending December 31, 2022 and for all fiscal years thereafter.