



ZION-BENTON PUBLIC LIBRARY

Fixed Asset Policy

Purpose

The Zion-Benton Public Library District 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 ZBPLD's annual financial statement. 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, they include but are not limited to such items as land, buildings, furnishings and equipment, and vehicles.

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 District records all capital items whose individual acquisition cost exceeds five thousand dollars (\$5,000) and has an estimated life of greater than one year as fixed assets.

Other Assets

Detailed records are maintained at the discretion of the Director for all items below the capitalization threshold that should be safeguarded from loss. These items include computer equipment and maintenance equipment with value that falls below the established threshold and any other assets specified by the Director. When large purchases of said items do meet the threshold as a group purchase of like items, they are recorded for depreciation.

Depreciation and Useful Life

Designated staff will assign an estimated useful life to all assets for the purpose of recording depreciation. Asset lives will be adjusted as necessary depending on 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.



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FIXED ASSET CLASSIFICATION	THRESHOLD FOR VALUATION	ASSUMED USEFUL LIFE (IN YEARS)
BUILDINGS & LAND	\$1	40
BUILDING IMPROVEMENTS	\$25,000	10-30
LAND IMPROVEMENTS	\$10,000	20
FURNITURE	\$5,000	5-20
EQUIPMENT	\$5,000	5 - 10
VEHICLES	\$5,000	8
BOOKS AND LIBRARY MATERIALS	No threshold	7
AUDIO VISUAL MATERIALS	No threshold	3

Maintenance and Repair

The costs associated with general maintenance and repair that do not add value to the asset or materially extend the asset's useful life are expensed in the period incurred rather than being capitalized. Major repairs and/or rehabilitation which materially extend the useful life of an asset are capitalized.

Adopted 1/28/20, Reviewed 12/16/2023, Approved 1/30/2024, Approved 1/2026