

**FLORIDA ENDOWMENT FOUNDATION FOR VOCATIONAL REHABILITATION  
CAPITAL ASSETS POLICY**

**Purpose**

This accounting policy establishes the minimum cost (capitalization amount) that shall be used to determine the capital assets that are to be recorded in The Able Trust annual financial statements (or books).

**Capital Asset Definition**

A Capital Asset is defined as a unit of property that: (1) has an economic useful life that extends beyond 12 months; and (2) was acquired or produced for a cost of \$2,500.00 or more. Capital Assets must be capitalized and depreciated for financial statement (or bookkeeping) purposes.

**Capitalization Thresholds**

The Able Trust establishes \$2,500.00 as the threshold amount for minimum capitalization. Any items costing below this amount should be expensed in the organization's financial statements (or books).

**Capitalization Method and Procedure**

All Capital Assets are recorded at historical cost as of the date acquired. Tangible assets costing below the aforementioned threshold amount are recorded as an expense for the organization's annual financial statements. Alternatively, assets with an economic useful life of 12 months or less are required to be expensed for financial statement purposes, regardless of the acquisition or production cost.

**Recordkeeping**

Invoice(s) substantiating an acquisition cost of each unit of property shall be retained for a minimum of four years. An inventory of capital assets will be conducted annually.

**Review of Policy**

This Policy will be reviewed at least annually by the Executive Committee as warranted by internal or external events or changes. Changes to the Policy will be recommended by the Bylaws, Ethics, and Policy Committee with final approval by the Board of Directors.