

CHEBEAGUE ISLAND HISTORICAL SOCIETY

POLICY NAME: CAPITALIZATION POLICY

DATE: MARCH 15, 2021

FIXED ASSET CAPITALIZATION POLICY

- Expenditures for land, building and equipment are recorded at cost. Donated assets and capitalized donated leases are recorded at their estimated fair market values at the date of donation. Depreciation expenses are calculated using the straight-line method and the following estimated useful lives: Buildings and improvements 10-35 years
- Furniture and equipment 3-10 years
- Maintenance and repairs, which materially add to the value of the property or appreciably prolong its life, are recorded as an increase to the appropriate asset account.
- CIHS capitalizes all fixed assets with a cost greater than or equal to \$3,500 and a useful life of at least three years, unless otherwise stipulated by a grant. When an asset is purchased through a grant, the grant's capitalization rules apply.
- CIHS will conduct a regular inventory of fixed assets and maintain a central list of fixed assets which includes date of purchase, registration numbers, warranty information, original cost, and estimated life.

Adopted by the CIHS Governing Board on March 15, 2021