

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION

CAPITALIZATION POLICY

1. **Scope**

This accounting policy establishes the minimum cost (capitalization amount) that shall be used to determine the capital assets that are to be recorded in Dutchess County Local Development Corporation's (the "Agency") annual financial statements (or books).

2. **Capital Asset Definition**

A "Capital Asset" is defined as a unit of property that: (1) has an economic useful life exceeding one year; and (2) has an acquisition cost of \$5,000.00 or more. Capital Assets must be capitalized and depreciated for financial statement (or bookkeeping) purposes.

3. **Capitalization Threshold**

The Agency establishes \$5,000.00 as the threshold amount for minimum capitalization.

4. **Capitalization Procedure**

All Capital Assets are recorded at historical cost as of the date acquired. Any items costing below this amount should be recorded as an expense in the Agency's financial statements (or books). Assets with an economic useful life of 12 months or less are required to be expensed for financial statement purposes.

5. **Donated Property**

Donated property, plant and equipment are recorded at the estimated fair market value at the date of donation.

6. **Recordkeeping**

Invoices documenting the cost of each unit of property shall be retained for a minimum of seven years.

7. **Useful Lives**

Useful lives for classes of assets and method of depreciation have been defined as follows:

Category	Depreciation Method	Estimated Useful Lives
Leasehold Improvements	Straight-line	15-20 years
Signage	Straight-line	5 years
Office Equipment	Straight-line	4 years
Furniture & Fixtures	Straight-line	7 years
Server & Network Systems	Straight-line	7 years
Laptops, PCs, & other Electronics	Straight-line	3 years

*Adopted: May 16, 2017
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Readopted 1/13/2021
Readopted 1/12/2022
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