

## **FIXED ASSETS**

Rockford Public Library purchases short-term and long-term fixed assets. Fixed assets include land, buildings, equipment, furniture, and fixtures that:

1. Have a useful life of more than one year
2. Are acquired for use in the RPL operation
3. Are not intended for resale

### **Threshold**

The cost of the asset to be capitalized shall exceed \$5,000. The asset may consist of one item or a group of similar or related items. Any asset not meeting this threshold shall be expensed in the financial period purchased. A complete inventory will be kept for all assets, whether capitalized or not.

### **Physical Inventory**

A physical inventory will be conducted on an annual basis. All fixed assets will be properly tagged and electronically tracked. The Chief Financial Officer is responsible for coordinating this process.

### **Additions**

The acquisition cost of land, buildings, and equipment shall include all reasonable and necessary expenditures to get the item(s) in place and ready for the intended use. This includes but is not limited to invoice price, legal fees, installation costs, and freight. All additions shall be made in compliance with Policy 6.2 Contracting for Goods Services and Works of Improvement, and recorded in the financial period purchased and correctly classified.

### **Disposals**

No item of property, plant or equipment shall be removed from Library property

**without approval of the Executive Director. Surplus furniture and equipment will be sold in the City of Rockford's annual public auction.**

**The Library is not responsible or liable for the condition of any surplus furniture or equipment nor will the Library provide support or maintenance for furniture or equipment purchased through the public auction.**

**At the time the property is retired, it will be recorded as required by generally accepted accounting principles.**