



WESTMONT PUBLIC LIBRARY

428 N Cass Ave, Westmont, IL 60559

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westmontlibrary.org

Providing the community with the keys to lifelong learning.

Capital Assets Policy

Purpose

The Capital Assets Policy outlines the capitalization thresholds and the depreciation rates of the Westmont Public Library's capital assets to facilitate the accounting for capital assets, maintain fiduciary responsibility for these assets, and help anticipate future expenditure needs.

Depreciation Rates and Estimated Useful Life

Useful life means the estimated number of years that an asset will be used for the purpose for which it was acquired.

Depreciation is the process of allocating the cost of tangible property over a period of time, rather than deducting the cost as an expense in the year of acquisition.

Unless otherwise required by state or federal law or regulation, useful lifetimes and annual depreciation rates for various classes of capital assets and non-capitalized equipment shall be based on the following schedule: GASB's Universal Coding chart for recording property and fixed asset appraisals.

The Westmont Public Library's assets that meet the minimum capitalization threshold are capitalized and depreciated over their estimated useful lives in straight-line method. The Library defines capital assets as those with individual cost of more than \$3,000 and with a useful life greater than one year. Capital assets include land, buildings, improvements, vehicles, and equipment, and individual library material with a cost of more than \$3,000. The Library collection will be recorded and reported for insurance purposes only but will not be capitalized.

Inventory Records

The Westmont Public Library will record and inventory capital assets on an annual basis. Records will include asset category, brief description, purchase price, date of acquisition, and life expectancy.