

*Lake Almanor Country Club*  
*Policy Manual*  
**Capitalization of Fixed Assets**

Policy Manual Section: Financial  
Policy Number: FA-1

WHEREAS, The Lake Almanor Country Club (LACC) is a California nonprofit mutual benefit corporation duly organized and existing under the laws of the State of California; and

WHEREAS, The Board of Directors of LACC desire to establish an accounting policy to set the minimum cost (capitalization amount) that shall be used to determine the fixed assets that are to be recorded in LACC's annual financial statements (or books).

NOW, THEREFORE, the Board of Directors does hereby adopt the following capitalization policy.

**Fixed Asset Definition**

A fixed 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 \$1,000 or greater. Fixed assets must be capitalized and depreciated for book and tax purposes.

**Capitalization Thresholds**

LACC establishes \$1,000 as the minimum threshold amount for capitalization. Fixed assets costing below this amount shall be expensed in its financial statements (or books).

**Capitalization Method and Procedure**

Fixed assets shall be recorded at historical cost as of the date acquired, and depreciated beginning on the date the fixed asset is placed in service. Fixed assets costing below the aforementioned threshold amount are recorded as an expense in LACC's annual financial statements. In addition, a fixed asset with an economic useful life that is less than 12 months shall be expensed for financial statement and tax purposes, regardless of the acquisition or production cost.

**Recordkeeping**

Invoices substantiating the acquisition cost of each fixed asset shall be retained for a minimum of five years.

**Future Years**

This policy will be deemed reaffirmed each year upon the Board's approval of the annual budget unless specifically modified.

**Board of Directors Approval Date: March 19, 2016**