

## Chapter 4-12

### RECORDING OF SLHOA#2 ASSETS

#### I. POLICY

- A. A SEPARATE LIST OF THE Association's assets shall be kept. It shall consist of all facilities and equipment which are individually valued at over \$3,000 and expected to last more than 3 years when initially procured. The assets shall also include individual items of less than \$3,000 value but which must be procured together at a value exceeding \$3,000 and a life greater than 3 years for aesthetic or commercial reasons e.g. chairs, golf carts, HVAC units, etc., these should be listed as a single asset. Every asset must be given an initial life and an initial value; this is normally its cost.
- B. As part of month-end closure the Accounting Department shall not only update the asset list with new purchases but also items which have been disposed of or retired. At the end of each fiscal year prior to the arrival of the outside auditors, the asset list must be reviewed, updated and approved by the controller.
- C. It is the responsibility of every department manager to follow procedures established for the purchase or procurement of assets, transfer between departments and the sale, disposal or retirement of assets. These procedures will be set by the Controller and approved by the General Manager in compliance with Board policies and according to the rules established by GAAP.
- D. Changes in equipment or facility which add \$3,000 to its value and extend its life by more than 3 years must also be reported. Small changes to a facility which in one year aggregate to more than \$3,000 and change the life by more than 3 years must also be reported.
- E. The items on the asset list shall be depreciated at the end of each year either by the Controller or the outside auditor according to the rules established by GAAP.