

Capital Assets/ Depreciation/Inventory Policy

Capital assets are real or personal property that have a value equal to or greater than the capitalization threshold for the particular classification of the asset and have an estimated life of greater than one year.

The library has invested in a broad range of capital assets that are used in the library's operations, which include:

- Land and land improvements
- Buildings and building improvements
- Facilities and other improvements
- Construction in progress
- Personal property
 - Furniture & Equipment
 - Vehicles
 - Works of art and historical treasures
 - Library books and materials

Capitalization Thresholds

Class of Asset	Threshold	Track/Inventory*	Depreciation Method
Land	Capitalize only	NA	Inexhaustible assets Do not depreciate
Land Improvements	\$25,000	NA	Straight-Line
Buildings	\$50,000	NA	Straight-Line
Bldg Improvements	\$50,000	NA	Straight-Line
Construction in progress	Capitalize only	NA	
Furniture & Equipment*	\$3,000	\$1,000	Straight-Line
Vehicles	\$5,000	\$1,000	Straight-Line
Works of art/ historical treasurers	Capitalize only	\$1	Inexhaustible assets Do not depreciate
Library materials	Capitalize all with useful life > 1year	\$1	Composite

*Furniture/equipment/vehicles with cost > \$1,000 but < threshold will be inventoried and tracked but not depreciated. Single purchase of Furniture & Equipment > \$50,000 will be inventoried, tracked and depreciated.

Questions about this policy? We encourage your feedback in person, by telephone at (785) 580-4400, or at tscpl.org/contact.

Recording Land

Land will be capitalized but not depreciated. It is recorded at historical cost and remains at that cost until disposal.

Recording Land Improvements

Land improvements include items such as excavation, non-infrastructure utility installation, driveways, sidewalks, parking lots, retaining walls, fencing, outdoor lighting, and other non-building improvements intended to make the land ready for its intended purpose.

- Non-Exhaustible – Expenditures for improvements that do not require maintenance or replacement, expenditures to bring land into condition to commence erection of structures, expenditures for improvements not identified with structures, and expenditures for land improvements that do not deteriorate with use or passage of time are additions to the cost of land and are generally not exhaustible and therefore not depreciable.
- Exhaustible – Other improvements that are part of a site, such as parking lots, landscaping and fencing. Site improvements will be depreciated if the improvement is exhaustible.

Recording Buildings

Buildings will be recorded at either their acquisition cost or construction cost.

Recording Building Improvements

Building improvements that extend the useful life will be capitalized. Examples of building improvements include roofing projects, major energy conservation projects, or remodeling and replacing major building components. Only those projects that meet the capitalization threshold will be included.

Recording Construction in Progress

Construction in progress will be capitalized and not depreciated.

Recording Furniture and Equipment

Assets such as furniture, machinery and equipment (that meet threshold levels) will be identified, inventoried, and if applicable depreciated.

Recording Vehicles

Vehicles will be identified, inventoried, and if applicable depreciated.

Questions about this policy? We encourage your feedback in person, by telephone at (785) 580-4400, or at tscpl.org/contact.

Recording Works of Art and Historical Treasures

Works of art and historical treasures will be recorded at historical cost. Since these works are inexhaustible depreciation is not required.

- Examples of Works of Art and Historical Treasures
 - Collection of rare books, manuscripts
 - Maps, documents and recordings
 - Works of art such as paintings, sculptures, and designs
 - Artifacts, memorabilia, exhibits
 - Unique or significant structures

Recording Library Materials

If library materials are considered to have a useful life of greater than one year, they are capital assets and will be depreciated.

Depreciation

Depreciation is the allocation of the total acquisition cost of a capital asset over its estimated useful life. The same depreciation method is not required for all capital assets.

Land, certain land improvements, construction-in-progress, inexhaustible works of art, historical treasures and similar assets are not depreciated. The straight-line and composite methods of depreciation, with an assumed salvage value of zero, will be used by Topeka & Shawnee County Public Library for exhaustible assets.

Estimated Useful Life

An asset must have an estimated useful life greater than one reporting period to be considered for capitalization and depreciation. Assets that are consumed, used-up, habitually lost or worn-out in one year or less will not be capitalized.

Estimated useful life means the estimated number of years that an asset will be able to be used for the purpose for which it was purchased.

Useful Life Table

Asset Type	Examples	Depreciable Life In Years
Art & Historical Treasures		No depreciation
Audio-Visual Equipment		5
Buildings		40
HVAC Systems	heating, air conditioners	20
Roofing		20
Carpet Replacement		7
Electrical/Plumbing		30
Computer Hardware	monitors, CPU, printers	5
Custodial Equipment	floor scrubbers, vacuums	10
Furniture/Office Equipment	desks, tables, chairs	10
Grounds Equipment	mowers, tractors & attach	15
Kitchen Equipment	Appliances	12
Land		No depreciation
Library Materials	books, videos, cds, dvds	5
Motor Vehicles	Cars, vans, light trucks	5
Motor Vehicles	Bookmobiles, box vans	10
Radio, Communications	portable radios	10
Telephone Equipment		10

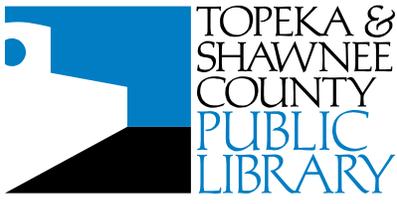
Asset Acquisition Cost

Capital assets will be recorded at their historical costs, which include the vendor's invoice (plus value of any trade-in), initial installation cost (excluding in-house labor), modifications, attachments, accessories or apparatus necessary to make the asset usable and render it into service. Historical costs also include ancillary charges such as freight and transportation charges, site preparation costs and professional fees.

Donated capital assets are valued at their estimated fair market value on the date of their donation.

The cost of all library materials exceeding the threshold will be recorded as one asset for inventory purposes. The net amount of library material additions and deletions each year will be added/subtracted to/from the original asset by assigning the net amount the same inventory number as the original asset.

Questions about this policy? We encourage your feedback in person, by telephone at (785) 580-4400, or at tscpl.org/contact.



Inventory Records

The Topeka and Shawnee County Public Library will maintain an accurate, complete, and up-to-date record of all capital assets. Each inventory record will include: description, year of acquisition, method of acquisition, i.e. purchase, donation, etc., funding source, cost or estimated cost, salvage value, and estimated useful life. The library will ensure completeness and accuracy of its inventory records through physical counts, review of purchase records, and other methods deemed necessary.

Approved: December 10, 2004

Board of Trustees
Topeka and Shawnee County Public Library

Questions about this policy? We encourage your feedback in person, by telephone at (785) 580-4400, or at tscpl.org/contact.