



SOCIETY POLICY

CAPITAL ADDITIONS, FURNITURE, FIXTURES AND EQUIPMENT

I. PREFACE

- A. Article C4.1.11 of the Constitution states: "The deposit, investment, and disbursement of all funds shall be subject to the direction of the Board of Governors."
- B. By-Law B4.4.6 states: "All payments for expenditures shall be made by the office of the Chief Financial Officer upon proper authorization, in accordance with the budget adopted by the Board of Governors."
- C. Any perceived discrepancy between the statement of policy herein and the Society Policy P-2.9 shall be resolved with P-2.9 prevailing.

II. PURPOSE

- A. To provide a policy for expenditures of funds for capital additions, furniture, fixtures and equipment.
- B. To establish a procedure for the purchase of capital assets, except real and equity, including:
 - 1. Budgeting requirements,
 - 2. Purchasing approval, and
 - 3. Accounting requirements.

III. POLICY

- A. Each unit reporting to the Board of Governors anticipating an expenditure for capital assets must submit a budget request.
- B. The "capital budget" must include all items costing \$3,000 or more.

IV. PROCEDURE

A. Budget.

1. A capital budget will be prepared each year and submitted to the Committee on Finance and Investment.
2. After reviewing the capital budget, the Committee on Finance and Investment will submit it to the Board of Governors for its approval at the time of the General Fund Budget approval.
3. The capital budget will include all items or groups of a like item costing \$3,000 or more to be purchased in the ensuing budget year as well as a projection for any subsequent year.
4. Unusual and non-recurring major projects must be submitted for approval with sufficient lead time for proper review and funding even if all or part of such projects are beyond the ensuing budget year.
5. Items of new or replacement office equipment may be grouped under an Executive Director's equipment fund of \$100,000 each budget year.
 - a. Any individual piece of furniture or fixture costing \$1,000 or more in place must be listed separately.
 - b. Each proposed purchase for the field offices costing \$1,000 or more must be itemized separately.
6. Leased items will be treated the same as other capital expenditures with regard to the total value of the items leased.

B. Purchasing approvals.

1. Major purchases of capital assets included in the approved annual budget require a formal purchase request which shall contain the cost, vendor bids, and the reason for the purchase.
2. Purchase requests will include specific approval(s) when the on-site-cost per item, total amount of lease, or system is:
 - a. Up to \$50,000 — Executive Director or Executive Director's designee.
 - b. \$50,000 or more — Executive Director.

3. Requests for additional capital expenditures during a fiscal year that were not approved by the Board of Governors as part of the annual budget approval process, are subject to the following approvals:
 - a. Committee on Finance and Investment: total of all non-budgeted expenditures if less than \$100,000.
 - b. Board of Governors: total of all non-budgeted expenditures exceeding the first \$100,000.

C. Accounting.

1. Capital expenditures will be recorded in the asset account of the Society and depreciated in accordance with their useful lives or as follows:

ASSET CLASS	YEARS
Leasehold Improvements	20
Furniture and Fixtures	15
Equipment (General computer equipment, machines, etc.)	5
Personal Computers and Peripherals	3
Motor Vehicles	3

2. The write-off of the capital assets will be charged to a depreciation account in General Administration and allocated in accordance with the accounting policies of the Society.
3. Field office assets will be charged to the respective field office depreciation accounts.

Responsibility: Committee on Finance and Investment

Adopted: September 14, 1982

Reaffirmed: June 1, 2005

Revised: (editorial changes 6/87)
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