

TITLE

C197 ASSET CAPITALISATION THRESHOLD POLICY

DEPARTMENT

Corporate Services

POLICY DIRECTIVE

To set minimum levels of expenditure as a criteria to recognise an asset. Expenditure on an item less than this “threshold” will be treated as an expense.

HISTORY

Councils resolution No 8/12 adopted at Ordinary Meeting Council on 16 January 2012.

POLICY

GENERAL CAPITAL EXPENDITURE.

Where expenditure is above the capitalization threshold, and is used to procure a new asset, upgrade the capacity of the asset, extend the life of the asset, or resolve the asset, the expenditure shall be capital expenditure.

The thresholds are:

\$10,000	Land
\$2,000	Office furniture and equipment
\$2,000	Other plant and equipment
\$10,000	Buildings and new extensions
\$2,000	Playground equipment
\$10,000	Road construction and reconstruction
\$10,000	Paving, footpaths, and gutter
\$10,000	Drains and culverts