

**RESOLUTION NO. 95-017**

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

**DEC 1 2 1995**

ON DATE OF \_\_\_\_\_

**FIXED ASSET CAPITALIZATION POLICY**

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO:

Section 1: The Fixed Asset Capitalization Policy attached as Attachment I is approved effective as of January 1, 1995. The policy stated in this Resolution supersedes any and all prior policy regarding the capitalization of fixed assets.

  
CHAIR

ATTEST

  
SECRETARY

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**FOR CITY CLERK USE ONLY**

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
FIXED ASSET CAPITALIZATION

This policy establishes the criteria to be used to determine which outlays are to be reported as fixed assets. Fixed assets are land, buildings and improvements, equipment and construction in progress. These assets are to be accounted for in accordance with generally accepted accounting principles. Implementation of this policy is subject to the provisions of all applicable laws and regulations. More detailed procedures used to implement this policy are available and may be updated by staff as considered necessary to carry out this policy.

Capitalization Amounts

As a Component Unit of the City of Sacramento, the Agency shall follow the capitalization policy of the City. As of the date of adoption of this policy, only fixed assets with a total cost greater than \$2,500 are capitalized. In the future, if the City of Sacramento revises its policy, the Agency's capitalization level will automatically adjust to that level, subject to continuing compliance with other laws and regulations.

Donated fixed assets will be recorded at their estimated fair market value.

Depreciation

The majority of the Agency's fixed assets are not depreciated. Those assets that are depreciated shall be depreciated over their useful lives in accordance with generally accepted accounting principles. The Finance Director is charged with the responsibility of assigning useful lives to fixed assets.

Disposition of Fixed Assets

Fixed assets will be removed from the fixed asset records when the title of the asset is no longer held by one of the Agency's legal entities. In the event that the periodic inventory or review of records results in the deletion of an asset greater than \$100,000 a formal report will be prepared and submitted to the Sacramento Housing and Redevelopment Commission. Annual sale procedures regarding the disposal of assets will be consistent with existing Agency policy and prevailing statutes and regulations. Assets valued at \$1,000 or less may be donated to an organization which can put the asset to better use.

Periodic Review of Fixed Assets

The General Services Division is responsible for coordinating the periodic inventory of equipment. This inventory will be conducted no less than every other year.

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