

Sons of Union Veterans of the Civil War

Capitalization Policy

1. Purpose

This accounting policy establishes the minimum cost (capitalization amount) that shall be used to determine the capital assets that are to be recorded in the Sons of Union Veterans of the Civil War, hereafter referred to as the SUVCW annual financial statements (or books).

2. Capital Asset definition

A “Capital Asset” is defined as a unit of property that: (1) has an economic useful life that extends beyond 36 months; and (2) was acquired or produced for a cost of \$ 500.00 or more. Capital Assets must be capitalized and depreciated for financial statement (or bookkeeping) purposes.

3. Capitalization thresholds

The SUVCW establishes \$500.00 as threshold amount for minimum capitalization. Any items costing below this amount should be expensed in SUVCW’s financial statements (or books).

4. Capitalization method and procedure

Capitalization method and procedure

All Capital Assets are recorded at historical cost as of the date acquired. Tangible assets costing below the aforementioned threshold are recorded as an expense for the SUVCW annual financial statements. Alternatively, assets with an economic useful life of 36 months or less are required to be expensed for financial statement purposes, regardless of the acquisition or production cost in accordance with Generally Accepted Accounting Principles (GAAP).

5. Recordkeeping

All records of fixed assets are to be retained permanently, including invoices substantiating the acquisition cost of each unit of property, in accordance with Chapter V, Article I, section 9 of the SUVCW Constitution and Regulations.