



To: Board of Directors

From: Gary Belair, Board Director to Finance & Planning Committee

Date: May 19, 2021

Re: Motion - Approve Proposed Chapter 9, Article 4 Fixed Asset Capitalization & Depreciation policy and Proposed modifications to Chapter 1, Article 17 and introduction of Chapter 9, Article 5 Record Retention Policy

Motion

I move to approve the adoption of Chapter 9, Article 4, Fixed Asset Capitalization & Depreciation Policy and the extraction and modification of Chapter 1, Article 17, Section 4 to Chapter 9, Article 5 Record Retention Policy.

Background

Financial analysis reflects a need for a Fixed Asset Capitalization & Depreciation policy to set processes and procedures in place. A review of the Article 17 Section 4. Retention Schedule and Period identified the need for updating the retention periods to reflect AICPA recommendations.

The purpose of the proposed new Fixed Asset policy is to set a standard by which capitalization and depreciation of purchases are recorded. This proposed policy is in accordance with IRS and FASB guidelines. The policy will put into place a set of standard rules to determine classification of purchases including set a minimum threshold of \$5,000 and a useful life of greater than 12 months.

The purpose of extracting Chapter 1, Article 17, Section 4 to a new standalone policy Chapter 9, Article 5 Record Retention Policy is to have Article 17 Information System Policy relate specifically to electronic data separately from the record retention requirements. The proposed retention periods are updated to reflect the IRS and AICPA recommendations. This includes the extension of the retention period for several record types.