

Houghton Township Fixed Asset Policy

Fixed assets are defined as those tangible assets of the Township of Houghton with a useful life in excess of one (1) year and an initial cost of 5,000 dollars. Exceptions to the rule are:

Computers, printers, and certain other peripheral technology equipment will be capitalized at a lower limit of 500 dollars.

Certain other assets which are less than 5000 dollars per unit may be capitalized as a group or as individual assets if deemed by the Township Board to be significant in amount or at greater risk of theft.

Fixed assets shall be classified as follows:

- A. Land
- B. Building
- C. Improvements other than building
- D. Machinery and equipment
- E. Furniture and fixtures
- F. Vehicles
- G. Construction in progress

Leased fixed assets and assets which are jointly-owned shall be identified and recorded on the Fixed asset system.

Fixed assets on hand shall be recorded at historical cost or, if that amount is not practicably determinable, at estimated historical cost. The methods to be used to estimate historical cost shall be established by the Township Board.

Future asset acquisitions will be valued at the acquisition cost for purchases. Donated items will be capitalized at fair market value on the donation date and depreciated if exhaustible over the remaining estimated useful life.

Accumulated depreciation shall be calculated on a straight line basis and be recorded for general fixed assets.

The following information shall be maintained for all fixed assets:

- 1. Description
- 2. Asset classification
- 3. Department
- 4. Purchase price
- 5. Date purchased
- 6. Serial number and Model number
- 7. Estimated useful life

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- 8. Accumulated depreciation
- 9. Method of acquisition
- 10. Manner of asset disposal

The estimated useful life that Allouez Township will use is as follows:

Asset Class	Estimated life in years
Land	N/A
Site improvements	10-20
Buildings and improvements	20-50
Electrical/Plumbing/Heating	10-20
Machinery and tools	10-15
Kitchen equipment	10-15
Other equipment and furniture	10-15
Office equipment	7-12
Fire vehicles	15-25 N/A
DPW vehicles	5-10 N/A
DPW equipment	10-20 N/A
Fire apparatus/equipment	10-20 N/A
Sewer lines and improvements	40-60 N/A

Policy adopted on Monday, June 19, 2006

Carol Jones

CAROL JONES, Clerk