



Comsewogue Public Library

Capital Assets Policy

{replaces the Furniture & Equipment Inventory & Inventory Disposal Policy}

The Comsewogue Public Library will engage a reputable Appraisal Company to perform periodic physical reappraisals and to reevaluate the current appraisal annually, providing updated reports. The annual updated reports for inventory and insurable values will include changes (additions, deletions and transfers) to fixed assets and improvements to the Library, as reported by the Library. The Library Director is responsible for the oversight of the accounting for capital assets according to Library policy.

Information within the reports generated by the Appraisal Company will be sufficient to permit the following:

1. Preparation of the year-end financial statements in accordance with generally accepted accounting principles, as detailed in GASB34.
2. Control and accountability for identification and management of assets.

DEFINITION OF A CAPITAL ASSET

Tangible assets of a durable nature that are employed in the operation of the Library, that are relatively permanent and that are needed for the normal operation of the Library, are termed property and equipment, or capital assets, or fixed assets. Fixed assets are separated into major classes according to the physical characteristics of the items (e.g. land; buildings; improvements other than buildings; machinery, equipment and furniture).

MAJOR CLASSES OF ASSETS

A. BUILDINGS: Buildings are defined as standing structures minus any improvements that are being depreciated separately.

B. LAND: The Library will capitalize all land purchases, regardless of cost. Donated land plus any associated costs will be recorded at fair market value on the date of transfer.

C. IMPROVEMENTS OTHER THAN BUILDINGS: These are improvements to land for better enjoyment, attached or not easily removed, and having a life expectancy of greater than three years. Examples are walks, parking areas and drives, fencing, retaining walls, pools, fountains, planters, underground sprinkler systems, and other similar items. Improvements do not include roads, streets, or other

assets that are part of the community infrastructure and are not for the support of the library facilities.

D. MACHINERY, EQUIPMENT AND FURNITURE: The definition of machinery and equipment is an apparatus, tool, or conglomeration of pieces to form a tool. The tool will stand alone and not become a part of a basic structure or building.

Machinery and Equipment includes computers, office machines, telephone systems, copiers, replicating equipment, postage machines, microfilm readers/printers, vacuum cleaners, mowers, power tools, and floor machines.

Furniture is also part of this category and includes tables, chairs, desks, shelving, and file cabinets.

CAPITALIZATION THRESHOLDS

Assets with a useful life of greater than three years will be considered for capitalization. The threshold to be used for categories and purposes indicated are as follows:

	Physical and Insurance <u>Purposes</u>	Financial Reporting <u>(GASB 34)</u>
Land Improvements	\$ 5,000	\$ 5,000
Building and Improvements	\$ 5,000	\$ 5,000
Furniture and Equipment	\$ 500	\$ 500

The Library will record donated assets and improvements other than buildings, plus associated costs, at fair market value on the date of transfer.

The Library will capitalize and tag items with an individual value equal to or greater than threshold limit. Machinery, equipment and furniture combined with other machinery to form one unit with a total value greater than the above-mentioned limit will be one unit.

Costs directly associated with the purchase, delivery and set up, which make such equipment operable for its intended purpose can be capitalized.

The Library will record donated machinery, equipment and furniture, plus associated costs, at fair market value on the date of transfer.

DEPRECIATION METHOD AND USEFUL LIFE

Depreciation is recorded for capital assets using straight-line depreciation method over the useful life of the asset. Useful life is determined by the Appraisal Company and is in accordance with GASB34.

REMOVING CAPITAL ASSETS FROM INVENTORY

Assets with an original value of \$500 or greater and deemed obsolete, damage beyond repair, to be donated or removed from inventory for other reasons require approval by the Library's Board of Trustees.

DISPOSAL OF COMPUTER EQUIPMENT

Security erase is performed on the hard drive using DBAN*. Hard drives that are unable to be erased using the software are physically destroyed. Computer equipment being removed from inventory but is still usable may be donated to a local non-profit organization. Equipment not donated will be disposed with an e-waste recycler.

EXCLUDED FROM CAPITAL ASSET POLICY

LIBRARY COLLECTIONS: Library collections are acquired and disposed of according to the Comsewogue Public Library Collection Development Policy. Governments are not required to capitalize collections, (including additions to those collections) whether donated or purchased, if they meet certain conditions:

- Collections are held for public exhibition, education, or research in furtherance of public service, rather than financial gain;
- Collections are protected, kept unencumbered, cared for, and preserved; and
- There is an ongoing annual budgetary commitment to acquire items to replace or enhance the collections.

Comsewogue Public Library considers its library collections to fall under these exception categories.

Library Collections are not required to be capitalized with annual appraisal/inventory of Library Assets because they fail to meet the library's useful life and/or capitalization thresholds.

Note: Library Collections (such as Books and Periodicals) are capitalized on the financial statements on an actual cost basis and with a five-year life, straight line method.

**DBAN*

Darik's Boot and Nuke, also known as DBAN, is designed to securely erase a hard disk until data is permanently removed and no longer recoverable, which is achieved by overwriting the data with pseudorandom numbers generated by Mersenne twister or ISAAC. The Gutmann method, Quick Erase, DoD Short (3 passes), and DOD 5220.22-M (7 passes) are also included as options to handle data remanence.

*Board approved 10/20/2020
Board reaffirmed 8/19/2025*