

San Pasqual Band of Mission Indians
San Pasqual Housing & Community Development
Private Home Ownership Program Policies and Procedures Manual

Capitalization Policy

I. Purpose

- A. The capitalization policy of the San Pasqual Band of Mission Indians Department of Housing & Community Development (SPH&CD), shall provide all parties associated with the housing programs of SPH&CD with a comprehensive statement of policy and actions which will be used as the criteria for governing the control and accountability of capitalized property of the housing department.

II. Definitions

- A. SPH&CD shall establish and maintain complete and accurate records of all real and personal property.
1. Real Property. Real property comprises all land and buildings and all fixtures permanently attached thereto or installed in a fixed position.
 2. Personal Property. Personal property comprises all materials and supplies, equipment, and fixtures which are not attached to the land or buildings and are not installed in a fixed position. Personal property is divided into three classes:
 - a. Materials and Supplies (non-capitalized) defined as items of property which (a) can be used only once; (b) are spent in use; or (c) lose their identity or become an integral part of other property when put into use. No inventory is required.
 - b. Expendable Equipment (non-capitalized) defined as items of equipment having a useful life of less than one year or having a value of less than \$5000. The cost of such property will not be treated as a capital expenditure.
 3. Capitalized Equipment. Capitalized equipment is defined as items of equipment having a useful life of one year or more, or having a value of \$5000 or more. The cost of such property shall be treated as a capital expenditure with financial control maintained through appropriate accounts in the general ledger. Similar items purchased at the same

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time, which as a group have a value of \$5000 or more, shall be treated as one item in determining if the purchase is to be capitalized.

III. Inventory Records for Capitalized Equipment

- A. SPH&CD shall establish and maintain complete and accurate inventory records for all capitalized equipment. The records will provide the following information:
1. description of item
 2. serial and/or model number
 3. purchase price of item
 4. purchase date of item
 5. quantity of item
 6. location of item, and
 7. sale or disposal date of item

IV. Annual Inventory for Capitalized Equipment

- A. SPH&CD shall take a physical inventory (i.e., a visual inspection and count) of all capitalized equipment at least once each fiscal year. The physical inventory shall be compared with the accounting inventory records and reconciled to the property accounts. Any differences between the inventory records and physical inventory shall be investigated and appropriate entries made in the books of account to correct or adjust the differences.
- B. The Executive Director is charged with the responsibility of caring for and safeguarding SPH&CD property. If the physical inventory disclosed that items of equipment have been lost, stolen, or destroyed, the Executive Director (or authorized designee) shall obtain all the facts relating to each case and determine (1) whether the person who had custody of the property is to be held responsible; and (2) the amount, if any, such person will be required to reimburse SPH&CD if held responsible for the loss. A written statement concerning the disposition of any losses shall be provided to the Business Committee.

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PROPERTY LEDGER

Name: SAN PASQUAL BAND OF MISSION INDIANS Date: _____
Property Account: _____ Acct. #: _____
Identification Number: _____

| Date | Description | Ref | Debit | Credit | Balance |
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EQUIPMENT RECORD

Account No.: _____

Identification Number: _____

Description: _____

Serial Number: _____ Model: _____

Purchased From: _____ Date: _____

Total Cost: _____ Document Number: _____

Location: _____

Prepared By: _____ Date: _____

Title: _____

Approved By: _____ Date: _____

Title: _____

Disposition Date: _____ Method: _____

Document Number: _____ Amount Received: _____

Prepared By: _____ Date: _____

Title: _____

Approved By: _____ Date: _____

Title: _____