



COUNCIL POLICY

Asset Capitalisation Threshold

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| Policy Number | 2.6 |
| Policy Subject | Asset Capitalisation Threshold |
| Policy Statement | The following capitalisation threshold for each classification of property, plant equipment and infrastructure asset shall apply. |
| Objectives | To assist with budget preparation and financial reporting of all Assets held within the Shire of Katanning. |

Guidelines

- 1) All asset purchases will be in accordance with the following Capitalisation threshold and Asset Classes;

| Asset Class | Capitalisation Threshold | Depreciation |
|---|---------------------------------|---------------------|
| <u><i>Property, Plant & Equipment</i></u> | | |
| Buildings | \$5,000 | 2% |
| Land – ALL | N/A | |
| Furniture & Fittings | \$5,000 | 10% |
| Paintings & Sculptures | All | 1% |
| Equipment | \$5,000 | 10-33.3% |
| Plant | \$5,000 | 10-20% |
| Motor Vehicles | All | 25% |
| <u><i>Infrastructure</i></u> | | |
| Roads | \$10,000 | 2.5-5% |
| Footpaths | \$10,000 | 2% |
| Drainage | \$10,000 | 2% |
| Bridges | \$10,000 | 2% |
| Parks & Ovals | \$10,000 | 5% |
| Other Infrastructure | \$10,000 | 2-5% |

- 2) A register will be maintained for all Portable Equipment and Desirable items that fall below the Asset Capitalisation threshold. That the register is to be reviewed on an annual basis.

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| Resolution No: | Ordinary Council | OC44/13 |
| Resolution Date: | 24 April 2013 | |
| Amended: | 27 March 2018 | OC29/18 |
| Source: | Finance Manager | |
| Review Date: | October annually | |
| Review | | |
| Responsibility: | Executive Manager Finance & Administration | |