

**TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
TOWN OF AMHERST DEVELOPMENT CORPORATION
FIXED ASSET CAPITALIZATION POLICY**

Adopted: March 18, 2011

The Town of Amherst Industrial Development Agency (the "Agency") and the Town of Amherst Development Corporation (the "Corporation") will regard fixed assets as capitalized when all of the following criteria are met:

- (1) Assets purchased, built or leased have useful lives of one year or more.
- (2) The cost of the asset (including installation) is \$1,000 or more. Multiple assets whose cost is less than \$1,000 but the aggregate request or total is \$1,000 or more are capitalized
- (3) The cost of repairing or renovating the asset is \$1,000 or more and prolongs the life of the asset.

The Agency and Corporation will regard the purchase of software programs as fixed assets subject to the above capitalization policy and will amortize over an estimated useful life of 3 years. Costs associated with software maintenance and customer support are considered expenditures and will not be capitalized.

All capitalized assets will have a numbered asset tag affixed to it if/when applicable.

Other Considerations:

- (1) REPAIR is an expenditure that keeps the property in ordinary efficient operating condition. The cost of the repair does not add to the value of prolong the life of the asset. All repair expenditures are charged to the appropriate department and fund.
- (2) IMPROVEMENTS are expenditures for additions, alterations and renovations that appreciably prolong the life of the asset, materially increase its value or adapt it to a different use. Improvements of this nature are capitalized.