

20-R-04

A RESOLUTION

Approving the Township of  
Evanston Capitalization Policy

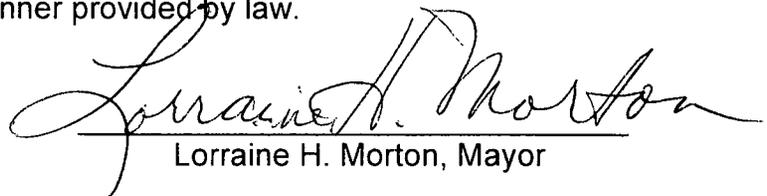
WHEREAS, the auditor for the Township of Evanston has recommended that the Township Board of Trustees formally approve a Township Capitalization Policy; and

WHEREAS, the Township has drafted such a Capitalization Policy, which has been reviewed and approved by the Township Auditor and the City's Finance Director,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS:

SECTION 1: That the Township of Evanston Capitalization Policy is hereby approved, attached as Exhibit A and made a part hereof.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

  
Lorraine H. Morton, Mayor

ATTEST:

  
Township Clerk

Adopted: April 13, 2004

## **Town of the City of Evanston** **Capitalization Policy**

The Township of Evanston will set its Capitalization Policy on all assets purchased with an original price of \$1,000.00 and a useful life of over one (1) year. The Township will also set its Capitalization Policy on all leasehold improvements of \$1,000 and over to be based on the useful life of the lease.

Physical assets acquired with unit costs of \$1,000 or more are capitalized as fixed assets on the financial statements. Items with unit costs below this threshold shall be expensed in the year purchased.

Capitalized fixed assets are accounted for at their historical cost and all such assets are subject to depreciation over their estimated useful lives, as described later.

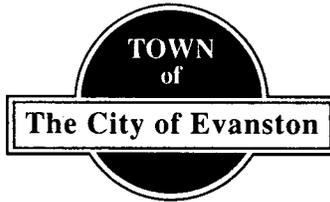
### **Depreciation and Useful Lives**

Estimated useful lives of capitalized assets for depreciation purposes are:

Furniture and fixtures	10 years
General Office equipment	5 years
Computer hardware and peripherals	3 years
Computer software	3 years
Leased assets	life of lease
Leasehold improvements	remaining lease term

For accounting and interim financial reporting purposes, depreciation expense will be recorded on a monthly basis.

Hon. Patricia A. Vance  
Township Supervisor



Sylvester Hilliard  
Executive Director

February 26, 2004

**MEMORANDUM**

TO: The Town of the City of Evanston Trustees

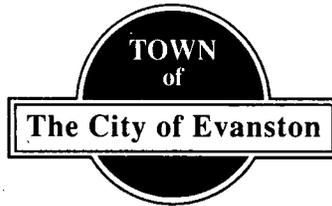
FROM: Patricia A. Vance, Township Supervisor, Town of the City of Evanston *PAV*

RE: **ADOPTION OF A CAPITALIZATION POLICY**

In the most recent audit of the Township, the auditors stated that the Trustees of the Township should formally adopt a Capitalization Policy for the Township. Attached is the proposed Capitalization Policy for adoption by the Trustees based on the current fiscal management of assets.

Attachment

Hon. Patricia A. Vance  
Township Supervisor



Sylvester Hilliard  
Executive Director

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