

House Agreement

Capitalization House Agreement

Responsible: Finance & Administration

Last reviewed 7/10/2020

Resolved: All purchases of personal property less than \$10,000 or more shall be expensed capitalized. All capitalized personal property shall be considered for inclusion in the reserve study as a component.

Background: We are required to have a capitalization policy for our annual review. Personal property includes those items that are not part of the physical structure of the building, such as furniture and equipment. By adopting this policy, items that will last more than a year and cost \$10,000 or more will be capitalized on the Association Balance Sheet by the end of the fiscal year and will be depreciated over their useful lives. The decision whether to include in the reserve study as a component is a separate decision and not dependent on capitalizing on the balance sheet.

Adopted by PDX Commons 11/28/2018, 7/19/2020