



VHA Policy 2.2 Capitalization

Authorization: Bylaws of The Villages Homeowners Advocates, Inc., (VHA)

Policy Statement: It is the policy of VHA to capitalize and depreciate capital assets in VHA's financial records. All other costs shall be treated as undepreciated expenses.

Definition: For the purpose of this policy a "capital asset" shall be defined as

- a unit of property that has an economic *useful life greater than three (3) years*, and
- has been acquired *at or above the amount of three thousand dollars (\$3,000)*.

Method of Depreciation: The Straight-Line Method of Depreciation shall be employed with one-half year's allowance taken in the year of acquisition and one-half year's allowance taken in the final year.