

**STATE OF WISCONSIN MILWAUKEE COUNTY VILLAGE OF RIVER HILLS**

**RESOLUTION NO. 2021 – 09**

**RESOLUTION TO ESTABLISH CAPITALIZED FIXED ASSET POLICY**

**WHEREAS**, the Village of River Hills, Milwaukee County, State of Wisconsin (Village) desires to implement policies to outline policy and procedures related to financial matters; and

**WHEREAS**, the Village of River Hills, Milwaukee County, State of Wisconsin (Village) has proposed to establish a Capitalized Fixed Asset Policy.

**NOW, THEREFORE, BE IT RESOLVED** by the Village Board of the Village of River Hills, Milwaukee County, State of Wisconsin that:

**CAPITALIZED FIXED ASSET POLICY**

**General:** To establish a general policy for Capitalized Fixed Assets including standards for valuation of assets with a useful life greater than one-year.

**Objectives:**

- A. The Village's Record of Capital Assets shall include general fixed assets, i.e., non-infrastructure assets. Infrastructure assets are assets that are immovable and of value only to the Village government, e.g., buildings, sewers, and streets. As a general rule, "capitalized" items maintained within the Village's Record of Capital Assets shall have an expected useful life greater than one year and a purchase, donated or assessed value equal to or greater than \$5,000. For computer equipment, initial operating software shall be included but subsequent operating software and application software shall be excluded.
- B. Generally repairs will not qualify for changing the initial capitalized value. Only major replacements of components and/or additions which significantly change the initial capitalized value or significantly extend the expected useful life of any capitalized item shall be considered in order to substantiate any subsequent year value change of an asset maintained within the Village's Record of Capital Assets.

***Asset Valuation***

The Village shall record long-term assets at historic cost or, if the cost is not readily determined, at estimated historic cost. Cost shall include applicable ancillary costs. All costs shall be documented, including methods and sources used to establish any estimated costs.

1. Purchased Assets – the recording of purchased assets shall be made on the basis of actual costs, including all ancillary costs, based on vendor invoice or other supporting documentation.
2. Salvage Value – the recording of purchased assets that are expected to be sold at retirement should be recorded with the historical estimated sale value if in excess

***Resolution 2021-09 VILLAGE OF RIVER HILLS – Capital Fixed Asset Policy***

of \$5,000.00. If sale value is less than \$5,000.00, normal depreciation for the useful life will be used.

3. Self-Constructed Assets – All direct costs (including labor) associated with the construction project shall be included in establishing a self-constructed asset valuation. If a department is unable to specifically identify all direct costs an estimate of the direct cost is acceptable, but must be supported by a reasonable methodology.
4. Donated Assets – Fixed assets acquired by gift, donation or payment of a nominal sum not reflective of the asset's market value shall be assigned cost equal to the fair market value at the time of acquisition.
5. Leased Property - Capital lease property should be recorded as an asset and depreciated as though it had been purchased.
6. Dedicated Assets – Required installation by Developer of public improvements, including but not limited to sanitary service mains, manholes, laterals and all appurtenances, storm sewers, storm water management measures, streets, street lights, street signs, will be dedicated to the Village upon completion. Recording of infrastructure assets will be made on the basis of actual costs, including all ancillary costs, based on vendor invoice or other supporting documentation provided by the Developer.

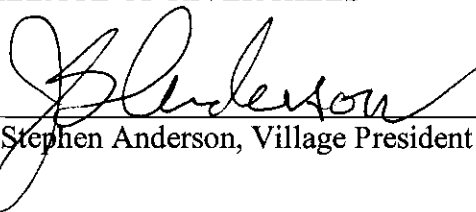
This policy will be reviewed by the Village Board every three years following adoption or sooner at their discretion.

Fixed Asset Category	Illustrative Items and Capitalization Threshold
Furniture	Chairs, tables, bookcases, file cabinets or other furniture items which individually cost \$5,000 or more with an expected useful life greater than one year.
Office Equipment	Postage machine and copiers or other office equipment items that individually cost \$5,000 or more with an expected useful life greater than one year.
Computers and associated equipment	Large computers, personal computers (PCs), printers, copiers that individually cost \$5,000 or more with an expected useful life greater than one year.
Specialized Public Safety Equipment	Certain communications equipment that individually cost \$5,000 or more with an expected useful life greater than one year.
Infrastructure	Streets, public right-of-way, street light systems, bridges, storm sewers, sewer laterals, and culverts that individually cost \$25,000 or more with an expected useful life greater than one year.
Building and Improvements	Permanent Structures, building mechanical equipment, parking lots and lighting that individually cost \$5,000 or more with an expected useful life greater than one year.
Library Collection	Books, CD's, DVD's, VHS tapes, Periodicals with an expected useful life greater than one year.
Motorized road equipment, i.e. cars, trucks, or ambulances	All permanent or semi-permanent attachments shall be included, e.g., snow plows, salt spreaders, etc.
Motorized non-road equipment, e.g., ditch diggers, air compressors	All equipment that individually cost \$5,000 or more with an expected useful life greater than one year.
Other non-motorized equipment not attached to or associated with motorized equipment	All equipment that individually cost \$5,000 or more with an expected useful life greater than one year.

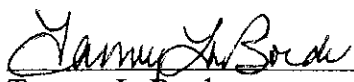
**Section 4. Effective Date.** This Resolution shall be effective upon its adoption and approval.

**PASSED AND ADOPTED** by the Village Board of the Village of River Hills, Milwaukee County, State of Wisconsin on this 21<sup>st</sup> day of July, 2021.

VILLAGE OF RIVER HILLS

  
 J. Stephen Anderson, Village President

Countersigned:

  
 Tammy LaBorde  
 Village Manager/Clerk/Treasurer