

L.P.P.O. ASSOCIATION

Capitalization Policy

A fixed asset is any tangible asset purchased for use in the day-to-day operations of the LPPO Association from which an economic benefit will be derived over a period greater than one year.

Fixed assets include items of property and equipment such as buildings, leasehold improvements, office furniture, fixtures, computers and other related technology equipment, as well as vehicles, heavy equipment, other equipment and tools. At the time a fixed asset is acquired, its cost is capitalized unless it has a value of \$500.00 or less, in which case the asset is expensed in the period acquired.

Amounts paid for property with an estimated life of 12 months or less with a value of \$500.00 or less are expensed in the period acquired as well. Management will periodically review these levels and make any modifications necessary.

This policy was approved by the LPPO Board of Directors at a Board Meeting held on January 15, 2014. The President of the Association is authorized to sign this document.

Name: Tom Clutinger

Signature: _____

Title: President of LPPO Association

Date: 1/21/2014