

Besser Museum for Northeast Michigan

Policies and Procedures

Capitalization of Equipment

1. All tangible personal property with a useful life of more than one year and a unit acquisition cost of \$2,500 or more will be capitalized and depreciated over its useful life using the straight-line method of depreciation. The Museum will expense the full acquisition cost of tangible personal property below these thresholds in the year of purchase.
2. The basis of accounting for depreciable fixed assets is acquisition cost, and all normal expenditures, including installation costs, architect-engineer fees, etc., of readying an asset for use will be capitalized. However, unnecessary expenditures that do not add to the utility of the asset will be charged to the period incurred.