

# **NYS Thoroughbred Breeding & Development Fund**

## **Capitalization Policy**

### **Purpose**

This accounting policy establishes the capitalization policy for the NYS Thoroughbred Breeding & Development Fund (Fund).

### **Fixed-asset definition**

The Fund defines a "fixed asset" as a unit of tangible or intangible property that: (1) has an economic useful life of more than 12 months; and (2) was acquired or produced for a cost of more than \$1,000, including acquisition and installation costs on the same invoice. Fixed assets are capitalized and depreciated/amortized for financial-statement purposes.

### **Fixed-asset classifications**

Fixed assets are classified as follows for financial-statement purposes:

- Office Furniture & Equipment
- Field Vehicles
- Leasehold Improvements
- Software

### **Capitalization thresholds**

The Fund establishes \$1,000 as the threshold amount for minimum capitalization of tangible/intangible property. Any items costing below this amount will be expensed in the Fund's annual financial statements.

### **Capitalization method and procedure**

All fixed assets are recorded at historical cost as of the date acquired or placed in service.

### **Depreciation/Amortization methods**

At the time a fixed asset is acquired or placed in service, its cost is capitalized and subsequently depreciated or amortized utilizing the straight-line method over the asset's estimated useful life.

### **Safeguarding of assets**

Fixed assets will be tagged with a numbered label that identifies them as belonging to the Fund. A master list will be maintained by the Fund's Comptroller, and a physical inventory will be taken if deemed necessary.