

RESOLUTION FOR MAPLE GROVE FIXED ASSET CAPITALIZATION POLICY

MAPLE GROVE TOWNSHIP

SAGINAW COUNTY, STATE OF MICHIGAN

Minutes of a regular meeting of the Township Trustees of Maple Grove Township, Saginaw County, State of Michigan, held on the 21st day of February, 2022 at 7:00 p.m., prevailing Eastern Time.

RESOLUTION #: 2022-02-01

PRESENT: Supervisor Krupp, Treasurer Yaros, Clerk Yaros, Trustee Peterman and Trustee Wendling.

ABENSET: None.

The following preamble and resolution were offered by Treasurer Yaros and supported by Trustee Peterman.

**Maple Grove Township
Fixed Asset Capitalization Policy**

The Township of Maple Grove will regard fixed assets as capitalized when all of the following criteria are met:

1. Assets purchased, built or leased have useful lives of one year or more.
2. The cost of the asset (including installation) is \$5,000 or more. Multiple assets whose cost is less than \$5,000 but the aggregate requestor total is \$5,000 or more are capitalized.
3. The cost of improving or renovating the asset is \$5,000 or more and prolongs the life of the asset.

The township will regard the purchase software programs as fixed assets subject to the above capitalization policy, and will amortize over an estimated useful life of 3 years. Costs associated with software maintenance and customer support are considered expenditures and will not be capitalized.

Other Considerations:

1. REPAIR is an expenditure that keeps the property in ordinary operating condition. The cost of the repair does not add to the value or prolong the life of the asset. All repair expenditures are charged to the appropriate department and fund.
2. IMPROVEMENTS are expenditures for additions, alterations and renovations that appreciably prolong the life of the asset, materially increase its value or adapt it to a different use. Improvements of this nature are capitalized.

Examples of Repairs vs. Improvements

Repairs=Expenditures

All items - life less than one year

All items under \$5,000

Property maintenance, wall repair

Replacement of machine parts to keep machine in normal operating condition

Improvements = Capitalized Assets

Life of more than one year

All items \$5,000 or more

Property rebuilding

Replacement of motor and parts that prolong the useful life

Property restoration (rebuilding) for normal operations

Property restoration for something different or better

Existing building repairs

Building regulation conformity

Replacement of small sections of wiring, pipes or light fixtures

Major replacement or wiring, lighting, pipes or sewer

Patching walls, minor repair of floors, painting, etc.

Installation of floor, wall, roof, wall-coverings, etc.

Patching driveways

New driveway or major repair

Cleaning drapery, carpet, furniture

New drapery, carpets, furniture

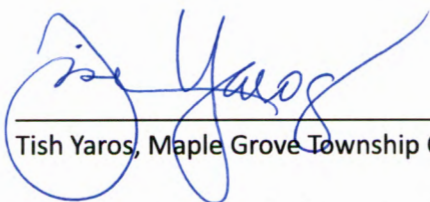
Depreciation Method - Straight Line over the following useful lives:

Buildings	40-60 years
Building Improvements	15-30 years
Water and Sewer Lines	50-75 years
Roads	10-30 years, see State Recommendations
Infrastructure	See State Recommendations
Vehicles	3-5 years
Office Equipment	3-5 years
Computer Equipment	3-5 years

AYES: Supervisor Krupp, Treasurer Yaros, Clerk Yaros, Trustee Peterman and Trustee Wendling.

NAYS: None.

RESOLUTION DECLARED ADOPTED.



Tish Yaros, Maple Grove Township Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Trustees of Maple Grove Township, Saginaw County, State of Michigan, at a regular meeting held on February 21, 2022, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.