

LAKE COUNTY BOARD OF DD/DEEPWOOD

BOARD POLICY

Reviewed and Adopted by the Board
Date: August 24, 2020

Signature on File
Elfriede Roman, Superintendent

I. SUBJECT: CAPITALIZATION POLICY

II. PURPOSE:

To outline the Board's position on recording and maintaining Agency assets in accordance with Generally Accepted Accounting Principles (GAAP) and Medicaid requirements.

III. REFERENCES:

County Boards' Cost Report Instructions, ICF/IID Cost Report Instructions

IV. POLICY:

The Lake County Board of DD/Deepwood is desirous of complying with all Federal and State mandates and adopts the following guidelines for capitalization of its assets:

A. Intermediate Care Facilities (ICF/IIDs)

ICF/IID Cost Report Instructions mandate that any item costing five hundred dollars (\$500.00) or more and has a useful life of two or more years must be capitalized and depreciated over the asset's useful life. All capital assets shall be depreciated using a straight-line method of depreciation.

B. All Other Program Areas

All equipment having an actual or estimated cost of five thousand dollars (\$5,000) or more and a useful life of one year according to the *AHA (American Hospital Association) Chart of Useful Lives* must be set up in an asset ledger and depreciated using the straight line method of depreciation.

C. The Board will promulgate administrative procedures to assure compliance with Federal and State requirements.

V. DISTRIBUTION:

Board Members
All Management Staff
All Staff (via Department Managers)
LEADD President

VI. REVIEWED:

8/20; 8/17; 8/16; 8/14