

CAROLINA FAMILY HEALTH CENTERS, INC. POLICY

TITLE: FIN-108 Fixed Assets

EFFECTIVE DATE: December 2003

SECTION: Finance

REFERENCE PROCEDURE: FIN-108.01 Fixed Assets

RESPONSIBLE CHIEF OF STAFF: Chief Financial Officer

RESPONSIBLE COMMITTEE: Finance CIT

REVIEWED: 12/09, 05/12, 08/13, 01/16, 04/18, 08/23/2021, 12/05/2022, 02/25/2025, 11/25/2025

I. PURPOSE

The purpose of this policy is to outline Carolina Family Health Centers, Inc. (CFHC Inc.'s) uniform capitalization that complies with federal and state financial reporting requirements.

II. POLICY

1. For accounting purposes, expenditures for any single item with a threshold value at \$5,000 or more provide a useful life greater than one fiscal year and is capitalized per the Internal Revenue Service, and Generally Accepted Accounting Principles guidelines.
2. Donated assets are treated as fixed assets when their fair market value exceeds \$5,000.
3. Used equipment is capitalized when the fair market value exceeds \$5,000 with the exception that the useful life may be shortened.
4. For any asset with a net book value of more than \$5,000 and purchased with federal funds, approval from the funding source is obtained before disposing of the asset.
5. The straight-line method of depreciation is used for depreciable assets unless a documented reason is provided to use another method.
6. All property purchased is maintained, tracked, and disposed of in accordance with 2 CFR Part 200.