

SOP # 10.3 **Revision:** 10-26-16
Effective Date: 2015

Prepared by: Bylaws/Policies & Procedures Committee
Approved by: Board of Directors

Title: **SANTA ROSA PLATEAU FOUNDATION (SRPF) - CAPITAL EXPENDITURES**

Policy: This policy defines capital expenditures and provides guidelines related to budgeting and purchasing procedures.

Purpose: To provide guidelines for the SRPF Board in their oversight of capital expenditures.

Scope: This policy pertains to long-term expenditures for capital items that have a useful life of more than one year.

Procedure:

1.0 DEFINITION

Capital expenditure is money spent in acquiring or upgrading physical assets of the SRPF, such as buildings, real estate, furniture and equipment that has a useful life of more than one year and costs \$2,000 or more. Capital acquisitions are also defined as “property” and are subject to depreciation.

2.0 BUDGET

Anticipated capital acquisitions will be included in the normal budgetary process, and when necessary, as part of the separate capital acquisitions budget. The annual capital expenditure’s budget will include purchase requests for all new and replacement acquisitions.

3.0 PURCHASING

Any equipment with an estimated value of \$2,000 or more will be purchased through comparative pricing by at least three vendors whenever possible except in the case when the funding source requires a lower minimum.

4.0 PROPERTY

- A. The Budget and Finance Committee will review and recommend the purchase or disposition of any capital asset with a value of \$5,000 or more. Purchase or sale of any real estate and other capital expenditures of any value must be approved by the Board.

5.0

PROPERTY (continued)

- B. The Executive Director may acquire capital assets specifically identified in the annual budget and/or the capital expenditures budget approved by the Board.
- C. The annual budget may have some nominal allocation for smaller capital expenditures.
- D. Items of a capital nature over \$2,000 will be capitalized.
- E. A fixed-asset inventory of all equipment will be maintained and adequate insurance will be maintained.

6.0

LONG RANGE PLAN

A five-year long-range plan for capital additions and replacements should be considered by the SRPF Board.