



Policy Name:	Depreciation and Capital Assets Policy	
Revision Date:	May 9, 2023	
Approval Authority:	<i>s/Keith Percy</i>	05072024
	President Perimeter Park West, Inc.	Date

Policy

It is the policy of Perimeter Park West, Inc. to adhere to the cash basis of accounting, which is a basis of accounting often used by smaller entities. It is not the intent of PPW, Inc. to follow Generally Accepted Accounting Principles (GAAP) standards of the United States of America. PPW, Inc. agents will adhere to the following guidelines.

- a. Capital assets/fixed assets will be capitalized and depreciated over the useful life of the asset on a straight line basis.
- b. Items over \$10,000 with a useful life of 10 years or more and which are a betterment to the property, an adaptation of the property to a new or different use, or is a restoration of the property will be capitalized and depreciated accordingly. Items to be capitalized are improvements to the building, and individual improvements to its structure components such as heating and ventilation, plumbing, electrical, fire protection and security systems.
- c. Recurring activities (inspection, cleaning, testing, replacing parts etc.) that are expected to be performed as a result of the use of the property or to keep the property in its ordinary operating condition are not capital improvements. These items will be expensed in the period incurred.
- d. The determination to capitalize an expense must be agreed upon by two PPW, Inc. agents. A third agent must review and approve if the item meets the definition of a capital asset.