



Sample Resolution to Set Threshold for Capitalization

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](http://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Sample Resolution to Set Threshold for Capitalization

Reference Number: MTAS-651

Appendix D: SAMPLE RESOLUTION TO SET THRESHOLD FOR CAPITALIZATION

SAMPLE RESOLUTION TO SET THRESHOLD FOR CAPITALIZATION

WHEREAS this Resolution establishes a threshold that dictates when expenditures may be capitalized in accordance with generally accepted accounting principles.

WHEREAS the City needs to establish a different threshold for each asset class in order to maintain effective managerial control.

THEREFORE the City resolves that these dollar levels set the thresholds that apply to these asset classes:

| | |
|---|---------------------|
| Land | \$ 500 |
| Buildings | \$10,000 |
| Improvements Other than Buildings | \$ 5,000 |
| Equipment | \$ 2,500 |
| Infrastructure | \$10,000 |
| Construction in Process | Tied to asset class |

This resolution will take effect immediately upon passage.

1st Reading _____

Mayor

City Recorder

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