

## Minimum Cost Safe Harbor Election

< \_\_\_\_\_ >  
**(Company Name)**

This accounting policy establishes the minimum cost (capitalization policy) that shall be used to determine the capital assets to be recorded on the financial statements of < \_\_\_\_\_ > (“Company”). A fixed asset (whether an improvement, betterment, restoration, or adaption) is any tangible asset acquired for use in the day-to-day operations of the Company or from which an economic benefit will be derived over a period greater than one year. Fixed assets include items of property and equipment such as buildings, leasehold improvements, office furniture, fixtures, computers and other related technology equipment. At the time a fixed asset is acquired, its cost will be capitalized unless it has a value of \$ \_\_\_\_\_ or less, in which case the asset is expensed in the period acquired. This \$ \_\_\_\_\_ amount will be measured on a per item, per invoice basis. Amounts paid for property with an estimated useful life of 12 months or less (i.e., materials and supplies), having a value of \$ \_\_\_\_\_ or less, will be expensed in the period acquired. This policy does not apply to acquisitions of land or inventory items for sale to customers.

This policy is effective for the Company’s tax year beginning in 2016. Management will periodically review these levels and make any modifications necessary.

This policy was approved by:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_