

Capital Purchase Policy and Procedures:

Definition: Capital expenses relate to fixed assets such as buildings and equipment. Capital expenses typically have a useful life of more than one year and are depreciated for tax purposes under Section 179 of the IRS code. Ordinary operating expenses are not considered capital purchases.

Examples: A postage meter would be a capital expense, purchasing stamps or paying for bulk-rate mailings would be operating expenses, not a capital expense. Furniture for the office would be a capital expense, paper and other office supplies would be operating expenses, not a capital expense.

Policy: Equipment purchases of \$300 or more require authorization by the BUP officers and the FRC before the purchase is made.

Equipment purchases of \$750 or more must additionally be reviewed by the Delegate Assembly before the purchase is made.

Procedures:

- Any BUP officer or committee member in need of equipment for BUP use can initiate a request for a capital purchase.
- Capital Expenditure Request form is completed and submitted with all required attachments to the BUP officers. If approved, the Co-Presidents and the Treasurer sign.
- After review by the BUP officers, the Capital Expenditure Request form and all required attachments are reviewed by the Financial Review Committee. If approved, two members of the FRC (not including the Treasurer) sign.
- If the expenditure is in excess of \$750, the Capital Expenditure Request form is then submitted to the Delegate Assembly. If approved, the BUP will enter the approval date and sign.
- Invoices are given to the Treasurer for payment.