

LAKE COUNTY BOARD OF DD/DEEPWOOD

BOARD POLICY

Reviewed and Adopted by the Board  
Date: August 22, 2022

Signature on File  
Elfriede Roman, Superintendent

**I. SUBJECT: CAPITALIZATION POLICY**

**II. PURPOSE:**

To outline the Board's position on recording and maintaining Agency assets in accordance with Generally Accepted Accounting Principles (GAAP) and Medicaid requirements.

**III. REFERENCES:**

**Ohio Administrative Code 5123-4-01 Administration and Operation of County Boards of Developmental Disabilities**

County Boards' Cost Report Instructions, ICF/IID Cost Report Instructions

**IV. POLICY:**

The Lake County Board of DD/Deepwood is desirous of complying with all Federal and State mandates and adopts the following guidelines for capitalization of its assets:

**A. Intermediate Care Facilities (ICF/IIDs)**

ICF/IID Cost Report Instructions mandate that any item costing five hundred dollars (\$500.00) or more and has a useful life of two or more years must be capitalized and depreciated over the asset's useful life. All capital assets shall be depreciated using a straight-line method of depreciation.

**B. All Other Program Areas**

All equipment having an actual or estimated cost of five thousand dollars (\$5,000) or more and a useful life of one year according to the *AHA (American Hospital Association) Chart of Useful Lives* must be set up in an asset ledger and depreciated using the straight line method of depreciation.

**C. The Board will promulgate administrative procedures to assure compliance with Federal and State requirements.**

**V. DISTRIBUTION:**

Board Members  
All Management Staff  
All Staff (via Department Managers)  
LEADD President

**VI. REVIEWED:**

8/22; 8/20; 8/17; 8/16; 8/14