



## **EQUIPMENT REPLACEMENT POLICY**

### **PURPOSE:**

The purpose of the equipment replacement fund is to set aside financial resources for future purchases of replacement equipment essential to the operations of First 5 Ventura. The intent is to mitigate the fiscal impact of purchasing fixed assets in any one fiscal year. As a result, large dollar fixed asset equipment purchases will have been planned for in advance and funds will have already been set aside to enable the purchase of the replacement equipment when old equipment becomes unusable or technologically obsolete and for which the department still has a bonafide need.

### **SOURCE OF FUNDS:**

In fiscal year 2003-2004 the beginning amount of the equipment replacement fund would be \$24,600, which is the depreciation year-to-date on existing equipment. The funds to establish the equipment replacement fund would come from the remaining start-up funds.

### **EQUIPMENT DEPRECIATION SCHEDULE:**

An equipment depreciation schedule matrix was developed showing equipment costing over \$500.00 purchased with the appropriate depreciation time line identified since First 5's inception with the fiscal years identified for future purchases.

#### **Depreciation Schedule**

|                               |         |
|-------------------------------|---------|
| Personal computers & printers | 3 years |
| Other Equipment               | 7 years |

### **ANNUAL EQUIPMENT BUDGET**

Each subsequent fiscal year, an equipment budget will be developed and submitted for Commission approval. The source of funds for replacement equipment purchases will come from the equipment replacement fund. New equipment purchases will be funded from the annual operating budget.