



3400 W Vienna Road | Clio, Michigan 48420 | www.viennatwpgc.gov
Office (810) 686-7580 | Building Department (810) 686-7676

Charter Township of Vienna Fixed Asset Capitalization Policy

The Charter Township of Vienna will regard fixed assets as capitalized when all the following criteria are met:

- (1) Assets purchased, built or leased have useful lives of one year or more.
- (2) The cost of the asset (including installation) is \$10,000 or more. Multiple assets whose cost is less than \$10,000 but the aggregate requestor total is \$10,000 or more are capitalized.
- (3) The cost of repairing or renovating the asset is \$10,000 or more and prolongs the life of the asset.

The township will regard the purchase software programs as fixed assets subject to the above capitalization policy and will amortize over an estimated useful life of 3 years. Costs associated with software maintenance and customer support are considered expenditures and will not be capitalized.

Other Considerations:

(1) REPAIR is an expenditure that keeps the property in ordinary efficient operating condition. The cost of the repair does not add to the value or prolong the life of the asset. All repair expenditures are charged to the appropriate department and fund.

(2) IMPROVEMENTS are expenditures for additions, alterations and renovations that appreciably prolong the life of the asset, materially increase its value or adapt it to a different use. Improvements of the nature are capitalized.

Depreciation Method—Straight Line over the following useful lives:

Buildings	40-60 years
Building Improvement	15-30 years
Water and Sewer Lines	50-100 years
Roads	10-30 years, see State Recommendations
Infrastructure	See State Recommendations
Vehicles	3-5 years
Office Equipment	3-5 years
Computer Equipment	3-5 years



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Examples of Repairs vs. Improvements

Repairs = Expenditures

All items—life less than one year
All items under \$5,000
Property maintenance, wall repair
Replacement of machine parts to keep machine in normal operating condition
Property restoration (rebuilding) for normal operations
Existing building repairs
Replacement of small sections of wiring, pipes or light fixtures
Patching walls, minor repair of floors, painting, etc.
Patching driveways
Cleaning drapery, carpet, furniture

Improvements = Capitalized Assets

Life of more than one year
All items \$5,000 or more
Property rebuilding
Replacement of motor and parts that prolong the useful life
Property restoration for something different or better
Building regulation conformity
Major replacement of wiring, lighting, pipes or sewer
Installation of floor, wall, roof, wall-covering, etc.
New driveway or major repair
New drapery, carpets, furniture

Adopted: July 14, 2025

Joseph A. Rizk, Supervisor

Cynthia J. Bryan, Clerk