TEXAS J REGIONAL ADVISORY COUNCIL
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Standard Operating Procedure

FINANCIAL SOP:	**Depreciation**
SOP NUMBER:	**F # 7**
SOP EFFECTIVE DATE:	10/09
SOP REVIEWED:	11/09; 8/10
SOP REVISED:	11/09

SOP AUTHORITY STATEMENT:

As stated in the By-Laws in Article VI.10 The Executive Committee shall be empowered to employ personnel to conduct the business of the RAC.

As stated in the By-Laws in Article IX.1 The Board of Directors may authorize any Officer or agent of the Organization to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Organization. This authority may be limited to a specific contract or instrument of it may extend to any number and type of possible contracts and instruments.

OPERATING PROCEDURE:

1. A provision for depreciation is recorded in the financial accounting system to reflect the net asset value of equipment during their useful lives.
2. Straight-line depreciation is used beginning in the month of acquisition and ending in the month prior to disposition for items costing more than $ 500.00.
   - Computers – hardware and software 3 years
   - Equipment 5 years
   - Major software 7 years
   - Office furniture & kitchen equipment 10 years
3. Depreciation is charged on a monthly basis to the profit and loss account.