

De Minimis Capitalization Policy

Effective for the tax year beginning January 1, 20_____, we hereby establish the following accounting policy for both book and income tax purposes:

Expenditures (per item per invoice including sales tax, freight and installation) that result in an asset that will be used in business longer than twelve months that cost \$500 or less will be treated as an expense.

It is the intention of this policy to comply with the IRS Section 1.263(a)-1(f) de minimis safe harbor election.