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M. Capital Assets

1. Purpose.

1.1 Policies. This statement sets forth the policies applicable to the control of and accountability for capital and controlled assets.

1.2 Establishment of Regulations. The Administration shall establish and maintain regulations and procedures for control of and accounting for capital and controlled assets. The regulations shall be consistent with Board policies, applicable laws, and sound, equitable business practices, and in accordance with generally accepted accounting principles adopted by the Governmental Accounting Standards Board. These regulations shall provide for an asset inventory system to assist in gathering and maintaining information needed for the preparation of financial statements.

2. Responsibility.

2.1 VPAT. The Vice President for Administration and Treasurer shall be responsible for administering the policy and related regulations and procedures.

2.2 Department Heads. All Department Heads shall be responsible for adhering to the policy and related regulations and procedures to safeguard and report on University held assets.

3. Applicability. The policies apply to all tangible property, real or personal, owned by or used by the University. Assets include, but are not limited to, those purchased from general funds, grant funds, contract funds, building and construction funds, and agency funds; and those received by donation.

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4. Capitalization Thresholds.

Capital Asset Category	Thresholds
Land and land improvements	Capitalize all
Buildings and building improvements	\$100,000
Infrastructure and infrastructure improvements	\$100,000
Construction in progress	Accumulate all costs and capitalize if over \$100,000 when completed.
Leasehold improvements	\$100,000
Property under capital lease	Depending on the asset, use the threshold for the appropriate asset category.
Furniture, equipment, and books and other reference materials not circulated to students or the general public.	\$5,000
Works of art and historical treasures	Capitalize all unless they meet the definition of a collection.
Library resources	Capitalize all
Other fixed assets	\$5,000

5. Capital Asset Improvements. Any improvement extending the useful life of the asset beyond one year shall be capitalized.

6. Reporting Capital Assets.

6.1 Purchased Assets. Assets shall be recorded at historical cost, including ancillary costs.

6.2 Donated Assets. These assets shall be recorded at their estimated fair value at the time of acquisition plus any ancillary charges. Donated land's capitalized value shall reflect its appraised or fair market value at the time of acquisition.

6.3 Accumulated depreciation. Accumulated depreciation shall be summarized and reflected on University annual financial statements.

7. Depreciating Capital Assets. Capital assets shall be depreciated over their estimated useful lives using the straight-line depreciation method unless they are:

- Inexhaustible, that is land and land improvements, certain works of art, and historical treasures;
- Infrastructure assets reported using the modified approach as discussed in Governmental Accounting Standards Board Statement No. 34; or,
- Construction in progress.

8. Conducting Physical Inventory. All capital assets shall be physically inventoried at least once every two years except the following:

- Stationary assets including, but not limited to, land, infrastructure, and buildings; and,
- Items incapable of being individually and separately inventoried such as components of equipment which cannot be physically examined without taking the equipment out of service.

9. Use of Capital Assets. University furniture, fixtures, and equipment shall be used for University business purposes only, and shall not be removed from University premises for purposes other than University business.

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