I. Purpose

To establish guidelines for the recording fixed assets purchased on College accounts.

II. Scope

This policy applies to all fixed assets purchased.

III. Definitions

Fixed Asset—Fixed assets are the non-liquid assets that have significant value and have a useful life over an extended period of time. They may be stationary or mobile. Fixed assets include but are not limited to land, buildings, building improvements, motor vehicles, equipment, computers, and furniture.

IV. Policy

All fixed assets purchased regardless of funding will be recorded as part of the College’s fixed assets and depreciated over the useful life of the asset unless the notice of grant award states that the federal government retains the ownership of the fixed asset in which case, the fixed asset will be recorded in the College’s Fixed Asset module for tracking purposes only and will not be depreciated.

V. Procedure

1. Monthly, General Accounting will run an expense ledger listing all activity processed on College accounts. Using this ledger, fixed asset purchases will be identified and documentation supporting these purchases will be obtained from the various accounting departments. The Restricted Funds department will also supply General Accounting with documentation listing any restrictions that pertain to the ownership of the fixed assets purchased.
2. Using the information obtained from the various accounting departments, General Accounting will record the fixed asset in the College’s fixed asset accounting system.

A. When there is no requirement that the federal government retains ownership of the asset purchased, the asset will be recorded as a College fixed asset, the cost of which will be depreciated over the expected life of the asset.

B. Where the notice of grant award states or federal regulations specify, due to the asset cost, that the government retains ownership of the fixed asset, the asset will be recorded in the College’s Fixed Asset module for tracking purposes only.

VI. Responsibility

1. General Accounting is responsible for identifying all fixed assets purchased, obtaining documentation supporting the purchase and then recording those assets in the College’s fixed asset module.

2. Restricted Funds is to provide General Accounting with the documentation identifying the fixed assets purchased using restricted funds and in instances where the federal government retains ownership, the documentation supporting that claim.