



Administrative Policy

Policy Title:	Fixed Assets
Policy Number:	1217
Date Adopted:	11/6/2024
Version:	1.0
Review Cycle:	Biannual
Date Last Reviewed:	10/30/2024
Office Responsible:	Business Office
Related Policies:	1209 Purchasing Policy
Related Laws:	Governmental Accounting Standards Board (GASB)

**Policy Summary:**

This policy establishes guidelines for the classification, capitalization, and management of fixed assets for Jackson College. The objective is to ensure accurate financial reporting, safeguard college resources, and ensure compliance with accounting standards and applicable regulations.

**Scope:**

This policy applies to all departments, divisions, and personnel responsible for purchasing, managing, and recording fixed assets at Jackson College.

**Policy Statement:**

**Definition of Fixed Assets**

Fixed assets are long-term tangible assets owned and used by Jackson College in its operations and are expected to provide economic benefit for a period exceeding one fiscal year. Fixed assets include, but are not limited to:

- Land
- Buildings
- Infrastructure and Land Improvements
- Building and Leasehold Improvements
- Artwork
- Furniture, Fixtures & Equipment
- Computer Equipment

**Capitalization Threshold**

The college sets a capitalization threshold of **\$30,000** for building additions and improvements if the life of the building is extended or square footage is added. The college sets a capitalization threshold of **\$5,000** per individual asset acquired by purchase or gift-in-kind. Individual assets with a purchase cost of less than \$5,000 are expensed in the period acquired unless the individual items as a group make one larger item that is \$5,000 or greater.

1. **Individual Item Purchases:** Only items with an acquisition cost of \$5,000 or greater are capitalized. This includes the purchase price and any costs necessary to prepare the asset for use (shipping, installation, etc.).



2. **Group Purchases:** When individual items are purchased together as part of a single transaction, and the total exceeds \$5,000, these items may be capitalized as a group if they function together as a unit (e.g., lawnmower with attachments).

### Useful Life and Depreciation

Depreciation, which includes amortization of leasehold improvements, is provided for capital assets on a straight-line basis over the estimated useful life or the term of the lease, if shorter, of the assets as follows:

- **Land:** Not depreciated
- **Buildings:** 40 years
- **Infrastructure and Land Improvements:** 15 years
- **Building and Leasehold Improvements:** 10 years
- **Artwork:** 10 years
- **Furniture, Fixtures & Equipment:** 5 years
- **Computer Equipment:** 5 years

### Asset Tagging and Inventory Management

All capitalized fixed assets are assigned a unique asset identification number and tagged upon acquisition. Inventory audits are conducted biannually to verify the location and condition of assets, with adjustments made as necessary.

### Disposal of Fixed Assets

Prior to disposal, all departments must obtain approval from the Director of Finance or Chief Financial Officer. Proceeds from sales of assets are recorded in the college's accounts, and any asset removed from service is updated in the Colleague.

### Responsibilities

- **Departments:** Ensure all purchases are reviewed against the capitalization threshold and forward relevant documentation to the Business Office.

**Business Office:** Manages fixed asset records, coordinates asset tagging and depreciation, and oversees inventory and disposal procedures.

### Change Log:

<u>Date Of Change</u>	<u>Version</u>	<u>Description of Change</u>	<u>Responsible Party</u>
11/6/2024	1.0	Initial Release	J. Globoker