

FIXED ASSET POLICY

I. NAME

This document shall be called the Associated Students Fixed Asset Policy.

II. PURPOSE

This policy is, and will be in effect in order to set guidelines for identifying, recording and controlling fixed assets within the Associated Students.

III. DATE OF EFFECTIVENESS

This policy shall be effective upon approval of the Associated Students Board of Directors (BOD).

IV. AMENDMENTS

This policy may be amended by a 2/3 majority vote of the Associated Students BOD.

V. GUIDELINES

A. CAPITALIZATION AND DEPRECIATION

1. Capitalization

All assets purchased with a value of \$2,500 or greater and a useful life of greater than one year will be capitalized.

2. Depreciation

Computers, and computer related equipment, are generally depreciated over a five year life. Furniture, fixtures and equipment are generally depreciated over a five to ten year life. Building improvements are depreciated over their estimated useful life. All assets are depreciated using the straight-line method. It may be determined at the time of acquisition that an asset may have an estimated life longer or shorter than the stipulated policy. In that instance, an assessment will be made of the useful life, which may be different from the prescribed term. Depreciation is calculated and posted to the general ledger at the end of each month.

B. RESPONSIBILITY, TAGGING AND PERIODIC INSPECTIONS

1. Responsibility

Each manager's administrative duties include acting as the authorized custodian for the fixed assets located in their area.

2. Tagging of Moveable Fixed Assets

All moveable fixed assets will be tagged. The Student Union staff is responsible for maintaining the tagging equipment and software in addition to tagging all new moveable fixed assets. Area managers are responsible for ensuring that all moveable fixed assets are tagged within their area and that all new moveable fixed assets are tagged upon receipt. A Fixed Asset Record form must be completed by the area manager when a new fixed asset is received. The Business Office staff will ensure that a Fixed Asset Record form has been submitted and that the asset has been tagged, if appropriate, prior to approving the invoice for payment.

3. Periodic Inspection of Fixed Assets

A physical inventory will be conducted, on a test basis, at the end of each fiscal year by the Student Union staff. Each year, a detailed list of each

department's assets will be sent to the area manager. It is the fiduciary responsibility of the area manager to visually identify every asset on the list, record any substantive changes in an asset or its location, note disposed or missing assets and make a list of any new qualifying assets which have not been tagged. It is the responsibility of the Business Office to ensure the integrity of the recorded value of fixed assets.

C. CHANGES IN ASSET STATUS

1. Fixed Asset Dispositions

All fixed asset dispositions will be substantiated with a Fixed Asset Disposition Form that is approved by the area manager. These forms should be submitted to the Business Office within a reasonable amount of time after the asset's disposal to ensure the integrity of the fixed asset detail.

2. Fixed Asset Transfers

Fixed asset transfers between areas of the Associated Students must be reported by the transferring area as a disposition and by the receiving areas as an acquisition. Both the transferring and receiving area will need to complete and submit a Fixed Asset Disposition Form in order to substantiate the transfer process.

Approved BOD: 6/27/02

Revisions approved: 12/8/04