

FIXED ASSETS

The Vice President of Administrative Services ensures that a system of internal controls is maintained for safeguarding the fixed assets of the College. The system will provide adequate identification of these assets and proper recording of the assets in the accounting system.

A capitalized fixed asset is tangible in nature, has a useful life of one year or longer and is reasonably identified and controlled. This may include land, buildings, library books, furniture, and other equipment.

All fixed assets with a value of \$5,000 or more per unit are to be capitalized, tracked, and depreciated. The Purchasing Director shall approve all purchases with a value of \$5,000 or more per unit and will advise Accounting Services of the purchases so assets can be entered on the equipment inventory list. The total annual purchases of library books will be collectively capitalized, tracked, and depreciated.

Depreciation is calculated per the Texas Comptroller State Property Accounting SPA Class Codes.

Any permanent change in the location of equipment should be submitted to the Accounting Services Office at the time of the change. The inventory tag number, brief description, and present location (room and building) need to be included.

The Vice President of Administrative Services should be notified of any malfunction, damage, or theft of college property. Once notified, the VPAS will inform the Accounting Services Office so assets can be removed from the equipment inventory list.

The College will conduct a physical inventory of capitalized fixed assets in accordance with Generally Accepted Accounting Principles (GAAP). GAAP states that every asset must be accounted for every two years. A periodic physical inventory allows the College assurance that the amount recorded on the books corresponds with the physical inventory. Department chair/supervisors are accountable for the fixed assets in their area of operation.