



<b>SUBJECT:</b>  Fixed Assets	<b>Effective Date:</b>  July 1, 2011	<b>Policy Number:</b>  04-1-012
	<b>Supersedes:</b>  Policy:  Date:	<b>Page</b> 1 <b>Of</b> 2
	<b>Responsible Authority:</b> Fiscal	

- I. Purpose and statement of operational policy underlying the procedure.**  
This policy is designed to identify classification of capitalized fixed assets such as land, buildings and equipment with a cost of \$2,000 or more and a useful life of more than one year. Capitalized fixed assets are acquired for use in normal operations and are not for resale. These assets may be subject to depreciation depending on which fund was used to record the asset. The threshold for capitalizing and inventory fiscal assets is \$2,000.
  
- II. Applicability/Scope**  
All fixed assets of the College
  
- III. Implementation procedures**

<b>Responsibility</b>	<b>Action</b>	<b>Timeline</b>
Manager of Accounting	Capitalizes all new assets by category if they cost more than \$2,000 or more and a useful life of more than one year.	At time of invoice receipt
Manager of Accounting	Enters all capitalized assets into the fixed asset system and the general ledger (Great Plains/Microsoft Dynamics Software).	Monthly
Director of Administrative Services	A physical inventory of capitalized and inventoried fixed assets is taken to verify that assets recorded in the fixed asset system are physically located.	Annually
Director of Administrative Services	If a capitalized or inventories asset is missing at inventory, the Property Removal Form is completed to document the reason for the missing asset.	Annually
Manager of	Purchased land should be entered at its cost. The cost	At

Accounting	includes its purchase price and any charges necessary to purchase the land. Donated land should be capitalized at the appraised market value at the time of donation. Land is not depreciated.	purchase
Manager of Accounting	Buildings are valued at the purchase price or construction cost. Cost should include all charges necessary to put the building or structure in its intended state of operation. Permanently attached fixtures to the building should be included in the cost of the building.  Donated buildings should be capitalized at the appraised fair market value at the time the building was donated.	At purchase
Manager of Accounting	Maintenance expenses are incurred to keep assets in normal operating conditions and to maintain the original use of the building. Maintenance expenses are not capitalized and these costs are charged to repairs and maintenance.	At time of invoice receipt
Supervisors	<u>Stolen Assets:</u> If any property has been stolen, the employee discovering the theft must report the theft to his/her supervisor. This is to be done as soon as possible but not later than three days from the day of discovery. The supervisor is then to notify the head of the department.	Within 10 days
Campus Security	Investigates the theft. If it reveals a violation of criminal laws, the Tennessee Bureau of Investigation is notified.	Immediately after notification
Manager of Accounting	Retires fixed assets on the fixed asset listing. The general ledger would reflect an entry to reduce the fixed asset account, if the asset was capitalized.	As required
Manager of Financial Reporting and Internal Controls / Controller	Reviews all expenses to ensure all capital assets have been capitalized.	At year-end

**IV. Related policies/References for more information**

Fixed Assets Policy and Procedures Manual

Authorizing Official: <u>Jim Duggan</u>	Authorization Date: <u>10/6/11</u>
Title: <u>Vice President/Chief Financial Officer</u>	