FERRIS STATE UNIVERSITY

DIVISION OF ADMINISTRATION AND FINANCE

FIXED ASSET CAPITALIZATION

Administration and Finance Business Policy

Policy Number: 2024:02 Supersedes: 2001:04

POLICY STATEMENT

The University capitalizes the original cost of equipment purchases and gifts in kind in the normal course of operations as required by GAAP (Generally Accepted Accounting Principles). The original cost capitalized is depreciated over its estimated useful life. This policy establishes the minimum value threshold for capitalization.

SCOPE

Assets acquired by the University. The University capitalizes assets that cost \$25,000 and greater except grant funded purchases. See grant policies for more information.

PROCEDURE FOR CAPITALIZATION

The University will use the Financial System (Purchasing, Accounts Payable and Financial Accounting modules) to identify the original cost of assets acquired by the University. Once an item is identified to be capitalized, an asset record will be established in the Fixed Assets System. The system will record all accounting entries for capitalization, cost changes, depreciation, and disposals.

The Associate Vice President for Finance determines a value that conforms to the Universities objectives while remaining in compliance with applicable pronouncements of FASB (Financial Assenting Standards Board) and GASB (Governmental Accounting Standards Board) and other regulatory agencies.

CONTACTS

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For more information, please contact the following departments: Associate Vice President for Finance

Amanda Matheson, Vice President for Administration & Finance

Ferris State University Equipment Transactions Form

		A S S E T C	DESCRIPTION - R	EQUIRED FOR A	LL TRANSACTIO	N TYPES		
Permanent Tag #		Fixed Asset	Description		Type of Transaction		Sales Price Without Sales Tax (Sales Only)	
				TRANSFERS				
From Department			To Department			Bldg. Abbrev		Room #
Received by:							Date:	
				DISPOSALS			<u>'</u>	<u>'</u>
Date of Disposal	Disposal Method (fo	or trade-in items, list l	PO number)					
				SALES				
Type of Sale (for sa	les other than public	sale)		AVP of Finance App	proval (required for s	sales other than pu	blic sales)	
Date of Sale		Date of Deposit			Fund	Organization	Account	Program
Enter the FOAP in v Accounting@ferris.		vere deposited. Includ	de a copy of the Stud	dent Financial Servic	es deposit receipt to	the Equipment Tra	ansaction Form sent t	о
			APPROVALS	(Required for all	Transactions)			
Custodian Signature							Date:	
Dept. Head Signature							Date:	
Plant Rep. Signature*							Date:	
		"Required for disposal through Plant only					_	
sold, or traded-in or	n another purchase, to the Disposal of Sc	s that have an origina the Equipment Trans urplus University Prop	actions Form should	d be completed and o	emailed to the Accor	unting Office at Acc	ounting@ferris.edu.	