Department Information for Capital / Fixed Assets

- All purchases should be approved by a Dean or VP prior to purchase.
- All purchases made should utilize a Purchase Order.
    - For computer purchases contact Mary Jo Balsis in the ITS department.
    - For office furniture and equipment contact Michelle Civiletti or Beth Fisher in the Facilities department.
- Additions and improvements to fixed assets are capitalized ***if*** the total cost of the asset including the addition or betterment is **$500.00 or more per item (not in total)** and extends the life of the asset. Below are two examples.
    - One desk is purchased for $500; it is capitalized and added to the fixed assets system
    - Four lamps are purchased for an academic department at $150 per lamp, for a total invoice of $600. This invoice is recorded in an operating expense account, it is ***not*** capitalized.
- Object codes for recording capital purchases are as follows:
    - 59200 – Furniture & Equipment
    - 59600 – Computers

Policy Background

The purpose of this Fixed Asset Policy is to present a uniform method of maintaining and updating the Nazareth College Fixed Assets CS System. The assets include furniture and equipment, computer equipment/software, autos, property improvements, library books and buildings.

Depreciation is a methodology which amortizes the cost of the asset over its useful life rather than recognizing the total cost in the month purchased.

- **Useful Life** · the useful life should be set to correspond to the timeframe which the asset will contribute to the production of goods or services. Nazareth College uses the following useful life for each asset class:
    - Buildings – 50 years
    - Building improvements – 10 & 25 years
    - Computer Equipment– 4 Years
    - Furniture & Equipment – 10 years
    - Library books – 20 years
    - Vehicles – 4 years

Nazareth College uses the straight-line depreciation method with a 0**%** salvage value on all assets. This method allocates an equal portion of the cost to the period of its normal life. All movable fixed assets are assumed to be purchased on the first day of the fiscal year (7/1/XX).