

INVENTORY/FIXED ASSET ACCOUNTING

It is the policy of the Board of Trustees that an orderly system of inventory and fixed asset accounting be implemented.

See following page for procedure.

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It is the policy of the Board of Trustees that an orderly system of inventory and of fixed asset accounting be implemented.

The Vice President for Administrative Services or his/her designee shall provide for a continuing inventory of all property of the College district—capital assets, physical facilities, equipment, materials and supplies as required by Auditors and/or Department Heads—and shall ensure that adequate accounting procedures exist for fixed assets.

Department Heads shall be responsible for keeping an inventory of fixed assets and other property assigned to their departments.

The Director of Finance shall provide for a system of monitoring inventory and accounting for fixed assets. Items not categorized as fixed assets having a cost or fair market value of between \$500 and \$4,999 shall be inventoried and tagged whenever practical. To be categorized as a fixed asset, a piece of property must

- be tangible in nature
- have a useful life expectancy of more than one year, and
- have a cost or fair market value of \$5,000.00 or more.

All fixed assets, whenever practical, are to be tagged.

Fixed assets shall be recorded at cost. Fixed assets acquired by gift are to be capitalized at their estimated fair market value at the time of receipt.

The accompanying Chart of Fixed Asset Information, adopted by the Wyoming Community College Commission, shall be implemented by the College.

CHART OF FIXED ASSET INFORMATION

ASSET	CAPITALIZATION	USEFUL LIFE RANGES	SALVAGE
Furniture & Equipment	\$5,000	3 - 14 years	0
Computers	\$5,000	3 – 5 years	0
Vehicles	\$5,000	3 – 5 years or mileage	0
Buses	\$5,000	8 – 10 years	0
Heavy Equipment	\$5,000	5 – 10 years	0
Shop/Plant	\$5,000	10 – 14 years	0
Sheds	\$5,000	10 – 14 years	0
Library Books	Annual aggregate purchases	5 – 7 years	0
Art/Collections	\$5,000	N/A	N/A
Building Improvements	\$50,000	20 years	
Land	Capitalize only: Not Depreciated	N/A	N/A
*Buildings	\$50,000	40 years	0-10%
**Land/Site Improvements	\$25,000	20 years	0
***Infrastructure	\$250,000	25 – 50 years; Roads 40 years; Water/Sewer– 25 years	0

* **Telecommunications** are considered part of building costs.

** **Land/Site Improvements** are typically adjacent to the buildings they service and have a much shorter life than long-lived infrastructure assets. Land improvements include assets such as pathways, sidewalks, swimming pools, parking lots lighting and fencing.

*** **Infrastructure** – Long live capital assets that are normally stationary in nature and cannot be identified to a building. Infrastructure assets serve the public or community as a whole and include such things as roads, tunnels and other deliver systems.

Accountability vs. Capitalization – The capitalization level should capture 80% of the dollar value of total assets.

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