

BLINN COLLEGE ADMINISTRATIVE REGULATIONS MANUAL

SUBJECT: *Capital Asset Guidelines*

EFFECTIVE DATE: May 3, 2007; amended September 8, 2015

BOARD POLICY REFERENCE: CAK

PURPOSE

To establish the definition of fixed assets and the guidelines for capitalization.

DEFINITION OF CAPITAL ASSETS

Fixed assets are items of property that are tangible in nature, have an economic useful life greater than one year, are not repair or supply items and have a significant value. They are not intentionally acquired for resale nor are they readily convertible to cash.

ASSET CLASS GROUPS

- Land
- Land Improvements
- Buildings and Buildings Improvements
- Computer Equipment
- Furniture, Equipment, and Vehicles
- Telecommunications and Peripheral Equipment
- Library Books
- Collections

CAPITALIZATION THRESHOLDS

All capital assets acquired by Blinn College shall be capitalized in accordance with the following guidelines.

1. Property with a purchase cost of \$5,000 or more, and have an economic useful life greater than one year, will be inventoried and capitalized.
2. Property with a purchase cost of \$1,000-\$4,999 shall not be inventoried or capitalized, with the exception of technology related equipment, which is to be annually inventoried, but not capitalized.
3. Technology based assets will be tracked and inventoried and is the sole responsibility of the Department of Information Technology. Other assets costing more than \$5,000 shall be identified and tagged by the Purchasing Department and inventoried in an appropriate database by the Accounting Department.