

FIXED ASSET POLICY

Approved by Administrative Council 6/25/18

Effective date 7/01/18

POLICY STATEMENT

Roseman University of Health Sciences (RU) requires that amounts expended for fixed assets (in excess of certain thresholds and whether purchased, constructed, gifted/donated or leased) be capitalized, depreciated and periodically reviewed for impairment or possible write-off in accordance with Generally Accepted Accounting Principles (GAAP), federal and state laws, University policies and procedures, and private granting agencies’ regulations. All fixed assets are owned or accountable by the University and not a specific individual, department or other operating unit. Compliance with the policies and procedures defined herein is mandatory for all RU faculty, staff and students who are working for or on behalf of the University.

Fixed Asset - Any property or equipment not for resale, that has an initial value of \$5,000 or more individually or as an operating unit or renovations exceeding \$5,000 in aggregate, whether in cash or trade value, that will be used or held in excess of one year without being consumed in its use.

RU capitalizes fixed asset purchases when they meet all of the following criteria; otherwise the expenditure is recorded as an operating expense in the fiscal year incurred:

- Owned or considered owned by the University or government agencies,
- Held for operations (e.g. not for resale or investment),
- Useful life that exceeds one year, and
- Meets the following materiality thresholds:

Category	Capitalization Threshold
Land	N/A – all land is capitalized
Land Improvements	\$5,000 individually or operating unit
Building (including Construction In Progress)	\$5,000 – aggregate of project costs
Building Systems	\$5,000 individually or operating unit
Building Improvement or Renovation	\$5,000 – aggregate of project costs
Moveable Equipment	\$5,000 individually or operating unit
Vehicles	\$5,000 individually or operating unit
Software	\$5,000 individually or operating unit

The University’s Controller is responsible for the general oversight of fixed assets and the establishment and monitoring of proper internal controls, including maintaining the policy, establishing procedures and answering questions regarding the policy.