

**THE AGRICULTURAL FOUNDATION OF
CALIFORNIA STATE UNIVERSITY, FRESNO
Fixed Assets Policy and Procedures**

It is the policy of the Agricultural Foundation of California State University, Fresno (Ag Foundation) to establish a system to maintain, control and protect the physical assets acquired through the Ag Foundation. This policy seeks to record, control and manage all existing Ag Foundation assets and those assets acquired in the future. To accomplish this, the following procedures have been implemented.

Capitalization and Depreciation Threshold: The limit for capitalizing a fixed asset is \$5,000. A fixed asset is any capital asset purchase with an effective usable life of more than one year and a cost of \$-5,000 or more. Certain repairs of equipment may be capitalized if the repair prolongs the usable life of the capital asset to more than one year.

Computers and computer related equipment are generally depreciated over three years. Furniture and fixtures are generally depreciated over five years. Building improvements and leasehold improvements are amortized over their estimated useful life or the term of the lease, whichever is shorter. All assets are depreciated using the straight-line method of depreciation. If the Controller and Director of Agricultural Operations determine at the time of acquisition that an asset may have an estimated life longer/shorter than the suggestions above, the useful life may deviate from the prescribed term.

Tracking of Assets: All Ag Foundation assets which have a service life of one year or more remaining and an estimated current value of \$5,000 or more shall be assigned an id# by the California State University, Fresno Association (Association). A listing of id#, asset description, model/serial number, purchase price, estimated life, and annual depreciation record will be maintained by the Association.

Each enterprise manager shall be the authorized custodian for the assets located in his/her enterprise.

Periodic Inspection: No less than once a quarter the Controller will update the equipment listing with new assets that have been purchased. An equipment listing and depreciation schedule will be provided each February 1 to the Director of Ag Operations and copies to each enterprise manager for review. Verification of assets will be submitted with the draft budgets in March. It is each enterprise manager's fiduciary responsibility to visually identify every asset on the list, record any substantive changes in an asset or its location, note of disposed or missing assets, and make a list of new qualifying assets which have not been tagged. At the annual inventory a physical inventory will be conducted under the direction of the Association to verify the fixed asset records.

Transfer of Assets to the State: Normally, no assets are transferred to the State. Such action requires Board of Directors' approval.

Disposal of Assets: Assets can be sold for cash or used for trade-in value when authorized capital equipment purchases are made.