

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
Fixed Asset Policy and Procedures

It is the policy of the Fresno State Programs for Children, (PFC) to establish a system to maintain, control and protect its physical assets. This policy seeks to record, control and manage all existing PFC 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 (3) years. Furniture and fixtures are generally depreciated over five (5) years. Building improvements and leasehold improvements are depreciated 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. The Association Controller may determine at the time of acquisition that an asset may have an estimated life longer/shorter than the suggestions above.

Periodic Inspection: The Association's Accounting Office will request annually an updated equipment listing from PFC and this list should include any new assets that have been purchased since the end of the prior fiscal year. An updated equipment listing and depreciation schedule will be provided to PFC by the Association for use in developing the annual budget for the next fiscal year. It is PFC's responsibility to visually identify every asset on the list, record any changes or corrections, note any assets that have been disposed of or may be missing, and identify any new assets that were not included in the database. Annually, PFC will conduct a physical inventory to verify the fixed asset records.

Transfer of Assets to the State: Assets transferred to the State/University require approval by the Board of Directors.

Disposal of Assets: Assets purchased with PFC operating funds can be sold for cash or used for trade-in value with approval by the Board of Directors.