

**LOKER UNIVERSITY STUDENT UNION, INC.
FIXED ASSET AND LEASEHOLD IMPROVEMENT POLICY**

The Loker Student Union, Inc. shall capitalize, inventory, depreciate and record all equipment and leasehold improvements from which a benefit will be derived for a period of one year or more and have a unit value equal to or greater than \$5,000.00. Fixed assets and leasehold improvements shall be capitalized at their cost of acquisition. Acquisition costs include the full cost of the purchase plus any additional expenditures directly related to the acquisition and or construction. Any project and or equipment purchased under \$5,000.00 shall be expensed in the current fiscal year.

CAPITAL OUTLAY

- The Loker Student Union, Inc. Board of Directors will approve a capital outlay budget for the capitalization of fixed assets and leasehold improvements as part of the annual budget. Fixed asset and leasehold improvement purchases shall be made in accordance with the Loker Student Union purchasing policy. Intended purchases of fixed assets and or leasehold improvements which exceed the budgeted amount shall require LSU Board of Directors approval.

INVENTORY AND RECORDING

- As stated in its purchasing policy, the Loker Student Union shall retain the title and custody to all equipment purchased with its funds. Upon receipt of the equipment purchased, its location, date of purchase and serial number will be recorded to an inventory log. Fixed assets shall be asset tagged and tracked in a master asset management system upon receipt of the equipment. Notification shall be provided to the Accounting Service Provider of the asset type, cost and estimated useful life for recording to the Loker Student Union financial records. Expendable sensitive equipment shall also be asset tagged and recorded to the inventory log. Physical inventory of all fixed assets and expendable sensitive equipment will be reconciled annually.

DEPRECIATION

- The LSU shall depreciate all capitalized fixed assets and leasehold improvements over their estimated useful life according to Generally Accepted Accounting Principles (GAAP) using the straight line depreciation method. Grouped fixed assets shall be depreciated using the straight line method over the useful life of the entire group. Projects and or purchases less than \$5,000.00 per item shall be expensed in the fiscal year of completion/acquisition.

RECONCILIATION

- The LSU shall reconcile the fixed asset master listing to the fixed asset schedule at the end of each fiscal year. A fixed asset reconciliation report shall be prepared and approved by the Director.

Revised 6/01/18
5/6/2016
11/21/03
Adopted 11/9/01
LSU Board of Directors

DISPOSITION AND WRITE OFFS

- Fixed Assets that have fully depreciated and or deemed inoperable shall be disposed and or replaced. Fixed assets that have reached their useful life and are still in service shall be maintained on the LSU financial records at a value of zero. Fixed assets that are deemed inoperable prior to reaching their useful life shall be disposed or replaced and written off from the LSU financial records. If the acquisition costs of the replacement are more than or equal to \$5,000.00, the replacement shall be capitalized as a fixed asset. Notification of disposition shall be provided to the Accounting Service Provider for the fixed asset to be written off from financial records. All write offs of fixed assets shall be approved by the LSU Director.

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5/6/2016
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LSU Board of Directors