

BAY de NOC COMMUNITY COLLEGE BOARD OF TRUSTEES POLICIES

2000 BUSINESS AFFAIRS

2013 PROPERTY, PLANT & EQUIPMENT POLICY

It shall be the policy of the Bay de Noc Community College Board of Trustees to maintain appropriate records of control and accountability for all of its capital assets, which are considered to be property, plant and equipment. It shall also be the policy of the Board of Trustees to comply with current accounting standards in regard to the depreciation of property, plant and equipment.

PROCEDURE:

- 2013.1 Capital assets, including library collections are reported in the statement of financial position at cost, or at fair market value as of the date of acquisition if received by gift or at a nominal value if fair value cannot be determined. The costs, less estimated residual values of capital assets with limited lives, are amortized in a rational and systematic manner over their useful lives. The College has chosen to use the straight-line method of amortization, which will be shown as an expense in the Statement of Operations. The asset classes and estimated useful life of the capital assets will be as follows:

Class Name	Examples	Estimated Life
Furniture and Fixtures	Tables Chairs Cabinets Desks Work Benches Bookshelves Kitchen Appliances	10 years
Heavy Equipment	Caterpillars Tractors Dump Trucks	10 years
General/Instructional Equipment	Welders Saws Microscopes X-ray Machines Oscilloscopes	7 years
Library Reference Material	Books CD ROMs Videos Microfiche	7 years

Class Name	Examples	Estimated Life
Vehicles	Cars Trucks Motorcycles Snowmobiles	7 years
Computer Equipment	Computers Modems Printers Monitors	5 years
Specialized Equipment - “particularly electronic equipment that would tend to have a shorter life than computer equipment”	Software	3 years
Office Equipment & A/V Includes electronic office and video equipment	Faxes Copiers VCRs Televisions	5 years
Leasehold Improvements "Major projects (\$5,000 and above)" that extend the life or increase the value of the leased asset.		Life of Lease

2013.2 The acquisition, use, and disposal of all personal property must be in accordance with the College’s Property Management System. The term “personal property” denotes all property except real property, which is generally described as non-consumable equipment with an acquisition cost of \$500 or more, or which is sensitive in nature (i.e. easily converted to cash or personal use).

Bay de Noc Community College is responsible for a management system that ensures physical control procedures, maintenance, surveillance, optimum

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Policy Origin Date: 05/19/2004

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use, and disposal of all personal property in the custody/ownership of the College.

Two primary property management responsibilities are the maintenance of property management records and the preparation of property reports for use by federal & state agencies, as well as College personnel.

The entire property management manual can be viewed on the College's website, Faculty & Staff, Physical Plant, Shipping & Receiving.

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