

Purpose

To provide a systematic method that allows for the accurate recording the depletion/use of university assets which will ensure accurate recording and reporting of the university's assets.

Policy

The university will depreciate its assets (as defined in the capitalization policy) in a straight-line method, according to a detailed schedule maintained by the Controller's Office. Presented below is a listing of the depreciation schedule for more common items:

Procedures

Estimated useful lives of capitalized assets shall be determined by the Controller's Office in conjunction with the department or employee that shall utilize the asset. The following is a list of the estimated useful lives of each category of fixed asset for depreciation purposes:

ITEM	USEFUL LIFE
Computer equipment	3 years
Scientific equipment	10 years
Software	5 years
Office furniture	5 years
Land improvements	15 years
New buildings	50 years
Building improvements:	
Roofs	20 years
Plumbing	20 years
Elevators	20 years

Renovations	20 years	
HVAC	20 years	

Guidelines

In the year of acquisition, depreciation is recorded based on the number of months the asset is in service, counting the month of acquisition as a full month (Example: an asset purchased on the 15th day of the fifth month shall have eight full months of depreciation (eight-twelfths of one year) recorded for that year.)

For accounting and interim financial reporting purposes, depreciation expense will be recorded on a monthly basis.

References

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Responsibilities

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Required Forms

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