

## **Sacramento State Alumni Association (SSAA)**

### **Fixed Asset Policy**

*This policy was approved by the Sacramento State Alumni Association Board of Directors*

*on March 29, 2021*

#### **Definition:**

A capital purchase comprises furniture, fixtures, equipment, software, building improvements, etc. that meet two criteria:

1. A useful life of more than one year; and
2. Cost of more than \$2,500.

The SSAA Board of Directors has established \$2,500 as the threshold amount for capitalization. This amount should reflect the aggregate cost when a large quantity of furniture and equipment items are purchased. SSAA will expense the full acquisition cost of tangible property below this threshold in the year of purchase.

#### **Recordkeeping:**

SSAA accounting staff shall maintain a list of fixed assets showing the date of the acquisition, its cost, and a schedule for depreciation of the asset. SSAA shall keep on file documentation for each purchase. Annual depreciation expense will be included in SSAA's (Alumni Center) annual operating budget.

For each purchase, the accounting and business officer shall evaluate whether the acquisition will have an impact on insurance coverage, determine if present coverage valuations are adequate, and obtain additional coverage if necessary.

Depreciation is computed by the straight-line method over the estimated useful lives of the assets, generally 3-20 years. Special circumstances shall be reviewed with the Finance Committee.

The Executive Director/AVP annually reviews the inventory of fixed assets, updating records for disposals or impairment.