

The University of North Carolina Agriculture and Technical State University Identification of Assets Capitalization Policy

*Property Management Office
Fixed Assets*

Policy II- B (Capitalization Equipment in the Year of Acquisition)

Capitalizing Equipment in the Year of Acquisition

Policy:

Equipment that cost \$5000 and above (capitalized equipment) must be capitalized in the year of acquisition to ensure that depreciation is correct.

Capitalized items that are not entered into Banner Fixed Assets by June 30 of that fiscal will be entered into the system during the 13th month with the accumulated depreciation to reflect depreciation expense for the fiscal year.

Procedure:

When purchasing equipment that is \$5000 and above, reports are generated to cross reference and ensure that the equipment will be capitalized in the year of acquisition.

The FFRPROC is used in Banner Fixed Assets to view assets above \$5000 to make sure that they have been capitalized. The F_Pending report is used to cross reference assets that are \$5000 and above with our FFPOEXT report to ensure that these are assets have been paid.