

Mid-Atlantic Christian University Finance Policy #17

SUBJECT: Capitalization

DATE: February, 2010

REVISED: 03/2010; 02/27/2015

REVIEWED: April 2020

NEXT SCHEDULED REVIEW: Odd numbered years in February

APPROVED BY BOARD OF TRUSTEES: October 18, 2013

Policy for: Finance Office

Procedure for: Finance Office

Authorized by: Vice President for Finance

Issued by: Board of Trustees

I. Purpose

When acquiring new assets with a long-term lifespan, the cost can be spread over a specified period of time, reducing an immediate negative affect against current revenues.

II. Policy

Mid-Atlantic Christian University ("University") expenses any paid out items under \$3,000 in the current operating year. The Vice President for Finance has final discretion on expenses and documents deviating from this policy.

III. Procedure

The University may consider capitalizing components of larger capital items and/or expenses.

For items over \$3,000 that are fixed assets or improvements to a fixed asset then such items would be capitalized as assets and proper depreciation will be figured.

Technology items will be "expensed" in the current operating year since technology becomes obsolete so quickly, regardless of whether or not it is over \$3,000.

Acquisitions of Fixed Assets are entered into the University's Accounting Software, with an attached depreciation schedule.

IV. Published: Policy Website

V. Reason for Revision

VI. Appendices