



FIXED ASSETS POLICY

DIVISION WITH PRIMARY RESPONSIBILITY: Business and Finance

OFFICE FOR ENSURING COMPLIANCE: Financial Services/Controller's Office

CONTACT OFFICE: Controller's Office, controller@loyola.edu

EFFECTIVE DATE: May 2, 2016

REVISION HISTORY: N/A

SCHEDULED FOR REVIEW: Annually

POLICY SUMMARY

This Fixed Assets Policy (Policy) provides guidelines for Loyola University Maryland's (Loyola's or University's) capitalization of major expenses related to the acquisition, construction, and alteration of capital assets and for the depreciation and disposal of such assets.

Fixed assets are capitalized so that their acquisition costs can be expensed over the period of years that best matches their estimated useful lives. This methodology is prescribed in order to match the cost of the asset with the periods (years) that are expected to benefit from the ownership of the asset.

Costs incurred for the purchase of movable equipment should be capitalized if the total eligible costs related to the purchase equal or exceed \$10,000 and the useful life of the assets purchased is beyond one year.

Costs incurred for the purchase or construction of buildings and/or of fixed equipment, renovation or alteration of buildings and/or fixed equipment should be capitalized only if the total eligible costs related to the purchase or project construction equal or exceed \$10,000 and the costs extend the original planned useful life of the asset beyond one year.

Land costs should be capitalized but not depreciated. However, land improvements that increase the usefulness of the land, but have finite lives, such as the paving of a parking lot or installation of fencing or lighting, should be depreciated over the useful life of the improvement.

Treatment of costs incurred for the demolition of an existing building depends on the intention. If land is purchased with an existing building on it, with the intent to demolish the existing building

ventilating systems, air conditioning systems, electrical fire protection systems, buildings elevators and service systems, etc.

4. Equipment, Furniture, Fixtures and Software

Equipment affixed to a building, fume hoods, office furniture, fixtures, machines, athletic equipment, laundry equipment, cafeteria and kitchen equipment and furnishings, licensed and unlicensed vehicles

5. Other

Art and conditional asset retirement obligations

6. Investment in Loyola/Notre Dame Library

Loyola/Notre Dame Library, Inc. is a separate legal corporation formed in February 1968 for the mutual benefit of the University and Notre Dame of Maryland University. The land and the building, including improvements, were contributed in equal shares by Loyola and Notre Dame and are the property of the Library. This category includes contributions for land and building, including improvements, made to the library.

7. Construction in Progress

Significant

