



BOARD OF REGENTS College of the Marshall Islands

Accredited by the Western Association of Schools and Colleges

P.O. box 1258
Majuro, Marshall Islands, MH 96960

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CMI POLICY NO: 250

Fixed Asset Policy

Status: Approved
Effective Date: October 1, 2021
Approval Date: December 1, 2021
Steward: Board of Regents
Approval Authority: Board of Regents

Policy Statement

Proper internal control procedures will be enacted and followed to ensure timely and accurate recording of the College's capital assets.

Items that have a useful life exceeding three years and unit acquisition cost of \$5,000.00 and more are capitalized, as are some items under that threshold but associated with large projects. The VPBAA has the authority to determine which assets are to be capitalized.

Reason for the Policy

The College seeks to improve efficiency and internal control in how CMI manages its asset by streamlining its acquisition, disposing, recording and reporting of fixed asset. BY moving its capitalization from \$500 to \$5,000, CMI will be able to focus on value-added capital when depreciating, instead of focusing on the smaller items.

Definitions

Useful Life – refers to the time span in which an asset is useful after the date of purchase. This policy updates the useful life definition from 1 year to 3 year after acquisition date.

Capitalization threshold – refers to the dollar amount that determines the financial reporting of the asset. Any asset acquisition costs greater than the threshold must be capitalized and depreciated over the asset's useful life. This policy updates the threshold from \$500 to \$5,000.



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Statements of Elaboration of Policy

n/a

Cross References to Related Policies

Sensitive Asset Policy

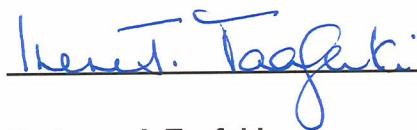
Responsible Officer

- VPBAA
- FABS Director
- Accounts Payable Accountant
- Chief of Procurement
- Fixed Assets Officer

Key Offices to Contact Regarding the Policy and its Implementation

- Office of the VPBAA
- FABS Director Office
- Procurement Office

President's Signature



Dr. Irene J. Taafaki



Date