



September 15, 2008

M E M O R A N D U M

TO: District Board of Trustees
FROM: William D. Law, Jr., President
SUBJECT: Classification of Property Assets

In accordance with Department of Education (DOE) financial reporting directives, the College reports the accumulated property asset total for only items valued at \$5,000 or greater. In the recently completed Annual Financial Report, items valued at less than \$5,000 are not included in this calculation of the accumulated property for the College.

Chapter 2006-122, Laws of Florida, amended Sections 273.02 and 274.02, Florida Statutes, as they related to the recording and inventory of state-owned tangible personal property. The amendment revised certain requirements for classifying property assets, including the \$1,000 threshold for item cost.

In keeping with the amended Florida Statutes, the State Accounting Manual for Florida's Community College also revised the accounting classifications for the various levels of capitalized property assets. The revised accounting codes and classifications are as follows:

- 7101X – 3 Year Capital Assets (greater than or equal to \$5,000)
- 7102X – 5 Year Capital Assets (greater than or equal to \$5,000)
- 7103X – 7 Year Capital Assets (greater than or equal to \$5,000)
- 7104X – 10 Year Capital Assets (greater than or equal to \$5,000)

Reclassifying the College's property assets for items valued at \$5,000 or greater will standardize the College's reporting procedures with the state's requirements.

Although the College would no longer classify assets valued less than \$5,000 as property assets, staff would continue to maintain records and control of pilferable items determined to be of 'high value', such as personal computers, laptops, digital cameras, and other electronic devices.

The property assets that would be re-classified include items that are:

Under 2 years of age	Qty	Recorded Value
• Educational items	50	\$ 107,550
• Audio visual & other electronic equip	104	\$ 194,548
• Personal computers & laptops	521	\$ 783,536
• Other PC related equipment	45	\$ 95,815
• Furniture	5	\$ 10,303
• Miscellaneous equipment	142	\$ 358,128

2 to 5 years of age	Qty	Recorded Value
• Educational items	137	\$ 276,607
• Audio visual & other electronic equip	547	\$1,170,774
• Personal computers & laptops	2,306	\$3,362,325
• Other PC related equipment	150	\$ 255,146
• Furniture	101	\$ 166,995
• Miscellaneous equipment	668	\$1,744,015

Over 6 years of age	Qty	Recorded Value
• Educational items	223	\$ 374,863
• Audio visual & other electronic equip	164	\$ 405,632
• Personal computers & laptops	664	\$ 918,122
• Other PC related equipment	153	\$ 258,746
• Furniture	306	\$ 512,712
• Miscellaneous equipment	405	\$ 884,561

STAFF RESOURCE: TERESA SMITH

RECOMMENDED ACTION:

The Board authorize staff to set the threshold of \$5,000 for capitalization of property assets.

TALLAHASSEE COMMUNITY COLLEGE DISTRICT BOARD OF TRUSTEES
POLICY

<u>TITLE:</u> Property Records	<u>NUMBER:</u> 6Hx27:09-10
<u>AUTHORITY:</u> Florida Statute: 274, 1001.64, 4001.65 <u>1013.28</u> FAC: 6A-14.0247, 6A-14.0262	<u>SEE ALSO:</u> 6Hx27:09-11
<u>DATE ADOPTED:</u> 12/1/97; amended 1/25/99	<u>PAGE:</u> 1 of 1

~~A property record system shall be established and maintained according to Chapter 274 FS.~~

~~The purpose of property records is to establish a system of control for College property and to facilitate the procedure of accounting for property. All items having a value of \$750 or more and a useful life of one year or more shall be accounted for on College records and shall be inventoried annually by the Vice President for Administrative Services or designee.~~

~~An identification number shall be assigned, and the property shall be tagged upon receipt.~~

~~All items, including those that are less than \$750 in value, are the responsibility of the appropriate cost center administrator. At least once during the fiscal year the total capital outlay expenditure shall be reconciled to the amount of property added to the property inventory list.~~

~~Requisitions for purchase orders covering property sent off campus for repairs, modification, or replacement of elemental parts should reference the property record number for each item.~~

Threshold for Recording Property

All tangible personal property with a value or cost of \$5,000 or more and a projected useful life of one (1) year or more should be recorded in the College's financial system as property for inventory purposes.

Control of Property

The President shall develop procedures for the recording, marking, inventorying, and disposition of tangible personal property.

Disposition of Property

Pursuant to section 1013.28(2)(a), Florida Statutes, procedures for disposition of property shall be in compliance with chapter 274, Florida Statutes.