

CHABOT LAS POSITAS COMMUNITY COLLEGE DISTRICT

June 24, 2008

Agenda Item: 5.8.b.

Subject: Adoption of Resolution No. 18-0708 - Authorization to Set a New Capitalization Threshold for District Fixed Assets

Background: Governmental Accounting Standards Board (GASB) 34/35 provides guidelines for proper financial reporting of all general infrastructure assets. Included in the statement of net assets are land, construction in progress, buildings, leasehold improvements and equipment. Of these total net assets, the moveable equipment is known as the fixed assets. The District currently utilizes a fixed asset system that tracks, depreciates and reports all moveable equipment with a cost of \$1,000 and greater.

The District’s auditor recommends the dollar threshold for fixed assets reported in the financial statements be increased from \$1,000 to \$5,000. This recommendation is accorded with GASB guidelines and will improve conditions for managing the District’s equipment assets.

A list of items not meeting the \$5,000 threshold will continue to be maintained for loss control and insurance purposes.

Recommended Action: That the Board of Trustees adopt Resolution No. 18-0708 authorizing a new capitalization threshold of \$5,000 for the financial reporting of District fixed assets and authorize the Vice Chancellor, Business Services to implement this change into District operations beginning with the start of the new fiscal year on July1, 2008.

Submitted: Andrew Howe/Date

Approved: Joel L Kinnamon/Date

APPROVED

DISAPPROVED

TABLED

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

RESOLUTION NO. 18-0708

AUTHORIZATION TO SET A NEW CAPITALIZATION THRESHOLD FOR  
DISTRICT FIXED ASSETS

WHEREAS, in the judgment of the Board of Trustees of the Chabot-Las Positas Community College District, State of California, business process improvements are part of the strategic plans of the District, and;

WHEREAS, Governmental Accounting Standards Board (GASB) 34/35 Statements require improvements in the financial reporting by all local governments, and;

WHEREAS, upon audit of the District's operations, the auditor presented a recommendation to make this improvement of the capital asset threshold, and;

WHEREAS, staff in the District Office Business Services Department now recommends such a improvement by increasing the fixed asset dollar threshold from \$1,000 to \$5,000, and;

WHEREAS, proper stewardship of valuable items for insurance and other purposes is continued in the inventory system for equipment items falling below the new threshold.

NOW, THEREFORE BE IT RESOLVED, that the dollar threshold for the capitalization and financial reporting of District fixed assets is hereby established at \$5,000.

By order of the Board of Trustees:

PASSED AND ADOPTED by a roll call vote on the 24th day of June 2008 by the Governing Board of Chabot-Las Positas Community College District of Alameda County, State of California.

AYES:

NOES:

ABSENT:

ABSTENTIONS:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary of the Board of Trustees of the  
Chabot-Las Positas Community College District,  
State of California

