



Complete and submit this form, along with any supplemental documentation, to the Office of the President by 5:00pm on the seventh day prior to the Board meeting.

Date of Board Meeting: May 20, 2025

Subject:

Recommend increasing the equipment cost capitalization threshold from \$5,000 to \$10,000.

Recommendation:

Recommend increasing the equipment cost capitalization threshold from \$5,000 to 10,000 effective September 1, 2025.

Background and Rationale:

In 2002, the college increased the capitalization threshold from \$1,000 to \$5,000.

Effective October 2024, in an effort to reduce the burden for recipients of federal funds, the Office of Management and Budget updated the Uniform Grants Guidance to increase the threshold for equipment. Equipment is defined as tangible personal property with a useful life of more than one year and a per-unit acquisition cost that meets or exceeds the lessor of the capitalization level for financial statement purposes or \$10,000. (2 CFR 200, Subpart D).

By aligning the college's fixed asset capitalization policy with that of Federal grants, the college will benefit from streamlined processes and reduce the number of purchases requiring capitalization and annual depreciation.

Cost and Budgetary Support: None

Strategic Priority Alignment:

☐ Student Success

☐ Community Impact

☒ Resource Optimization

☐ Institutional Excellence

Resource Person(s):

Cynthia Ward, Assoc. V. P. of Financial Operations/Controller

Signatures:

Cynthia Ward

Originator

4.25.25

Date

Betty McCracken

Cabinet-Level Supervisor

4-28-25

Date

President's Approval:

Betty McCracken

President

4-28-25

Date