



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

Tel: (692) 625-3291/3843
Fax: (692) 625-7203
Email: bor.regents@cmi.edu

COLLEGE OF THE MARSHALL ISLANDS

BOARD RESOLUTION-No: 2021 - 015

"A RESOLUTION TO APPROVE THE REVISED FIXED ASSET POLICY"

WHEREAS, the College of the Marshall Islands' Islands' Finance, Risk and Assessment Committee recommend to the CMI Board of Regent OF the College the recommended revision to the *Fixed Asset Policy*; and

WHEREAS, the College shall develop appropriate procedures to support and enhance the implementation of the new changes; and

WHEREAS, the College of the Marshall Islands shall continuously provide necessary trainings for the CMI staff that are responsible for the proper implementation of the policy; and

NOW, THEREFORE, BE IT RESOLVED:

That the Board of the College of the Marshall Islands accepts the Proposed Changes to the Fixed Asset Policy attached.

I, **Kathryn Relang**, Chair of the Board of the College of the Marshall Islands, do hereby certify that the above is a true and correct copy of a resolution adopted at the meeting of the Boards College of the Marshall Islands on December 1, 2021 at which a quorum was present and voted.



Kathryn Relang
Chair, Board of Regents
College of the Marshall Islands



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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

December 1, 2021

Date