

COLLEGE OF MICRONESIA-FSM
BOARD POLICY No. 5602

Depreciation

Date Adopted: 28 August 1996

Date Revised:

Date Reviewed: 22-24 March 2014

References: Board of Regent's Approval, August 28, 1996
GASB 35

The straight-line method of depreciation will be used for all assets (except land). Land is not depreciated because this value is not expected to decrease or diminish. The following shall be used as guide for the estimated useful lives:

- a. Machinery and Equipment:
 - i. IT and other related Equipment -3years
 - ii. Library Books and Collections -5 years
 - iii. Cleaning Equipment -5 years
 - iv. Kitchen equipment -5 years
 - v. Laboratory Equipment -5 years
 - vi. Instructional Equipment -5 years
 - vii. Telephone and Communications -7 years
 - viii. Furniture and Office Equipment -8 years
- b. Motor Vehicles
 - i. Cars and Light Trucks - 5 years
 - ii. Buses and Vans - 10 years
- c. Buildings
 - i. Office Buildings - 30 years
 - ii. Building Improvements - 20 years
- d. Land Improvements
 - i. Structures - 20 years
 - ii. Ground Work - 20 years
- e. Infrastructures
 - i. Drainage Systems - 20 years
 - ii. Roads - 20 years

Should a particular asset undergoes repair/refurbishment or an additional accessory is added, and such action will prolong the useful life of the asset, the cost incurred shall be added to the cost of the asset and the corresponding depreciation cost shall be recomputed accordingly. The adjustment of the depreciation expense shall be done prospectively. All fixed assets for the National Campus purchased prior to FY 1994 (October 1, 1993) will be fully depreciated, except for Buildings and Instructional Materials which shall be depreciated over a five-year period beginning with FY 1995.

See Administrative Procedure 5602