



**VERMONT
COLLEGE
OF FINE
ARTS**

**Depreciation Policy
Administrative Policy F1.5
Revised: August, 2010**

Policy Statement

A provision for depreciation is recorded in the financial accounting system to reflect the allocation of the total acquisition cost of a fixed asset over its estimated useful life. In accordance with GAAP depreciation is recognized for all property and equipment except for land. Depreciation is recognized for contributed property and equipment as well as for property and equipment acquired in exchange transactions.

The “straight-line” depreciation method is used. For Items purchased in the beginning to middle of any month, a full month of depreciation will be booked. For items purchased after the mid point of the month, depreciation will be booked at the start of the following month. Depreciation ends in the month of disposition.

The estimated useful life of an asset is determined from the following schedule:

Computer hardware, software and related equipment	5 years
Vehicles	5 years
Furniture and fixtures, machinery, other equipment, and library holdings	10 years
Land and building improvements	20 years
Leasehold improvements	the lesser of lease term or economic useful lives
Buildings	50 years

The College’s CFO has the authority to assign full useful life designations other than those listed above where appropriate based on facts and circumstances.