

# Capitalization of Art and Museum Objects

FIN-ACC-240



## About This Policy

**Effective Dates:**

07-01-1992

**Last Updated:**

05-01-2003

**Responsible University Administrator:**

Vice President and Chief Financial Officer

**Policy Contact:**

Jennifer George

Director of Auxiliary Accounting, Capital Asset Management, Non-Student Accounts Receivable, and Student Loan Administration

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## Scope

All Indiana University units and employees.

## Policy Statement

Any art and museum piece purchased or donated to the university shall be capitalized if the value is \$5,000 or greater. If a collection is greater than \$5,000 then it will be capitalized as a collection.

In order to assign a book value, donations to the university must be appraised. If the unit unto whom the item has been donated feels that the item is not worth an appraisal, the nominal value of One Dollar (\$1.00) shall be assigned. The Indiana University Foundation Planned Giving office is prepared to assist the university and donors in connection with the appraisal requirements and documentation of such in-kind gifts.

## Reason For Policy

To establish what art objects will be capitalized as capital art and museum objects.

## Procedure

In order for an item to be capitalized as an art and museum piece the correct object code must be utilized on the purchase and disbursement documents.

A list of the current object codes (income and expense classes) is available by contacting your campus [Chart of Accounts Manager](#) or the Quali Financial System's Object Code References Tables.

## History

The source to this policy is:

American Institute of Public Accountants (AICPA) Guidelines for Colleges and Universities, GAAP

## Related Information

Capital Asset Standard Operating Procedures