RELATIVE TO ADOPTING THE HALF-YEAR CONVENTION METHODOLOGY FOR CAPITAL ASSETS DEPRECIATION

WHEREAS, the University of Guam is the primary U.S. Land Grant institution accredited by the Western Association of Schools and Colleges (WASC) serving the post-secondary needs of the people of Guam and the region; and

WHEREAS, the governance and well-being of the University is vested in the Board of Regents; and

WHEREAS, currently, the University’s depreciation is calculated using the straight-line method over the estimated useful lives of capital assets; and

WHEREAS, the University has significant new capital assets purchased through the SFSF-GSA ARRA Federal Funding in FY2012; and

WHEREAS, upon consultation with accounting firms and professionals, the mid-year convention is a more reasonable method of measuring the decline in value of capital assets whereby it allows all property acquired during the year as being depreciated for half of full-year depreciation in the first year, with the remaining balance in the final year of the property’s life; and

WHEREAS, the President and Board’s Budget, Finance, Investments and Audit (BFIA) Committee have reviewed the administration’s proposal in this matter and recommend it to the Board.

NOW, THEREFORE BE IT RESOLVED, that the Board of Regents supports the adoption of the half-year convention method effective October 1, 2011, and prospectively thereafter.

BE IT FURTHER RESOLVED, that the President, working through the Vice President for Administration and Finance and the Comptroller, is authorized to prepare guidelines and procedures for the implementation of the half-year convention for capital assets depreciation.

Adopted this 20th day of September, 2012.

W. Chris Perez, M.D., Chairperson

ATTESTED:

Robert A. Underwood, Ed.D., Executive Secretary