

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
BUSINESS PROCEDURES MANUAL

Procedure 3.13
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Effective: July 1, 2011
Supersedes: Procedure 3.13 dated July 1, 2010
Applies To: Colleges and System Office
Procedure Responsibility: System Accounting

Capital Assets

Section 3.13.1 - General
Section 3.13.2 - Capitalization Classes
Section 3.13.3 - Capitalization Thresholds
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Section 3.13.1 - General

Capital assets are real or personal property that has an estimated useful life of more than one year and a value greater than the capitalization threshold for the particular classification of asset as defined below in Section 3.13.3 – Capitalization Thresholds.

“Capitalization” is an accounting action whereby an item is recorded as an asset on the balance sheet rather than as an expense of the current period. For operational purposes, an “asset” provides benefit to future periods versus an “expense” that benefits only the current period. Within KCTCS’ PeopleSoft Financials Module items that are capitalized are first expensed using an expense account code and later reclassified within the Asset Management Module. The range of expenses and accounts codes that should be treated as capital is varied and can have different interpretations. To avoid misclassification and potential internal control issues resulting in a management comment or other audit issue, it is strongly recommended to consult with KCTCS Accounting on any interpretation as to the correct asset and expense account to use when making a capital asset purchase. For specific capital outlay codes please see Business Services [Chart of Accounts](#). In general, the decision to capitalize must be consistent, the amount of the asset must be material, and the item must benefit future periods.

Section 3.13.2 - Capitalization Classes

Capital assets fall into various categories:

- A. Land
- B. Land Improvements

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- C. Buildings, including Fixed Equipment
- D. Building Improvements (Renovations)
- E. Campus Improvements
- F. Infrastructure
- G. Communications and Network Equipment
- H. Equipment and Machinery, including Telecommunication Equipment and vehicles
- I. Leased Equipment
- J. Construction in Progress
- K. Computer Software
- L. Library Books and Reference (Non Book) Materials
- M. Works of Art and Historical Treasures

A. Land

Land is the surface of the earth which can be used to support structures, and may be used to grow crops, grass, shrubs and trees. Land is characterized as having an unlimited life.

KCTCS, from time to time, will purchase buildings primarily to gain ownership of the underlying land. Accordingly, the buildings being purchased for future development should be classified as land. Costs for appraisals, demolitions, etc., shall be included in the capitalized cost. **Note:** If it is intended that KCTCS will use a structure on the acquired land for a period of time exceeding one year, an allocation of cost should be made to the structure and should be capitalized separately. Costs capitalized to the structure should include any renovation costs that make the building suitable for use.

B. Land improvements

Land improvements consist of betterments (site preparation and site improvements) other than buildings that ready the land for its intended use. Included in land improvements are items such as excavation, non-infrastructure utility installation, driveways, sidewalks, parking lots, flagpoles, retaining walls, fencing, and outdoor lighting.

C. Buildings, including Fixed Equipment

A building is a structure permanently attached to the land that is not intended to be movable. Building costs include foundations, walls, frames, roof, etc. Fixed equipment, including items such as elevators, HVAC units, fume hoods, sprinklers, and casework, are to be included within the building's costs.

Note: The cost of a major building project generally includes several components, i.e., land, land improvements, building construction, and equipment. The total cost of each building project should be allocated to each separately identified component of the project and accounted for in the appropriate capital asset category.

D. Building Improvements (Renovations)

Building improvements are capital expenses that materially extend the useful life of a building or increase the value of the building, or both. If a building improvement meets the capitalization threshold dollar amount (\$200,000), the improvement should be capitalized and recorded as an addition to the value of the existing building. KCTCS uses a 40 year life for its buildings.

Examples of building improvements include, but are not limited to the following: additions, major energy conservation projects, installation of fixed equipment such as elevators, communication switches, sprinklers or fume hoods in a building that previously did not contain that equipment, and major renovation of space to change or improve the building's functionality.

E. Campus Improvements

Campus improvements are capital expenses that materially increase the use or the value of the campus. For KCTCS' purpose only West Kentucky Community and Technical College falls into this classification and only because several of the college's buildings and a large part of the college's campus is owned by Paducah Junior College Foundation, Inc.

F. Infrastructure

Infrastructure assets are long-lived capital assets that can be preserved for a significantly greater number of years than most capital assets and that are normally stationary in nature. Examples include utility installation, roads, bridges, tunnels, drainage systems, water and sewer systems, and dams. Infrastructure assets do not include buildings, driveways, parking lots or any other items that are incidental to the property or access the property, even though they may be separately capitalized. For purposes of accounting, KCTCS capitalizes the initial site work and utilities of a project.

G. Communications and Network Equipment

Communications and network equipment are considered to be a special category of fixed equipment normally capitalized with the building as a sub-component of

either: 1) a new building construction project; 2) a building improvement/renovation project; 3) a utility improvement/renovation project; or 4) is expensed to operations and maintenance of plant as a sub-component of a building or utility improvements/renovation project when total cost falls below the \$200,000 improvements capitalization threshold. Normally telecommunications, communications, and network equipment are capitalized as part of the building. This classification typically consists of the power conduit, cabling/wiring, electronics, and the telephone switching equipment and components necessary for the campus-wide delivery (both between buildings and within buildings from floor to floor) of electronically transmitted communications, principally voice (telephones) and data (computers).

H. Equipment and Machinery, including Vehicles

Personal property assets include fixed furniture, machinery, equipment and vehicles. Fixed equipment is included in *Buildings and Fixed Equipment* and/or *Communications and Network Equipment*, noted above. Fixed furniture includes, but is not limited to, cabinets and partitions and is only capitalized in conjunction with the new or renovated buildings.

I. Leased Equipment

A lease is accounted for as either a rental agreement (operating lease) or a purchase/sale accompanied by debt financing. The choice of accounting method for recording purposes hinges on the nature of the leasing arrangement. Non-operating leases are agreements that we identify as being formulated outwardly as leases, but which are in reality installment purchases. (**Note:** This applies to computer software as well as physical equipment. See Section K below for specifics.) For purposes of identification the proper accounting method, equipment should be capitalized if the lease arrangements meet any one of the following requirements:

1. The lease transfers ownership of the property to the lessee (KCTCS) by the end of the lease term
2. The lease contains a bargain purchase option
3. The lease term is equal to 75 percent or more of the estimated economic life of the leased property
4. The present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90 percent of the fair value of the leased property

Leases that do not meet any of the above requirements should be recorded as operating leases.

J. Construction in Progress

Construction in progress reflects the ongoing construction activity of buildings and other structures, infrastructure, additions, and land improvements which are substantially incomplete, but are anticipated to be capitalized upon completion.

Construction in progress assets should be capitalized to the appropriate capital asset category upon completion.

K. Computer Software

Higher education institutions are required to capitalize the costs of computer software developed or obtained for internal use. KCTCS has designated the estimated life for software at 5 years.

For software to be considered for internal use, both of the following criteria must be met:

- The software must be acquired, internally developed, or modified solely to meet the institution's needs and
- During the software's development or modification, the institution must not have a substantive plan to market the software externally to other entities.

Software development generally involves three phases, as follows:

- Preliminary Project Phase - conceptual formulation of alternatives, the evaluation of alternatives, determination of existence of needed technologies, and final selection.
- Application Development Stage - design of chosen alternative, including software configuration and interfaces, coding, installation of computer hardware and testing, including parallel processing phase.
- Post-Implementation/Operation Phase - training and application maintenance activities.

Costs (internal and external) associated with the application development stage should be capitalized. Capitalization of costs should begin when the preliminary phase is complete and the institution's management has implicitly or explicitly committed to funding a software project with the intent it will be completed to perform the planned functions. Capitalization should cease no later than the time at which substantial testing is complete and the software is ready for its intended purpose or rendered in service (prior to the post-implementation/operation phase).

Further, as noted above Section I - Leased Equipment, a lease is accounted for as either a rental agreement (operating lease) or a purchase/sale accompanied by debt financing. The choice of accounting method for recording purposes hinges on the nature of the leasing arrangement. Non-operating leases, *including computer software*, are agreements that we identify as being formulated outwardly as leases, but which are in reality installment purchases. For purposes of identification the proper accounting method, computer software should be capitalized if the lease arrangements meet any one of the following requirements:

1. The lease transfers ownership of the property to the lessee (KCTCS) by the end of the lease term.
2. The lease contains a bargain purchase option
3. The lease term is equal to 75 percent or more of the estimated economic life of the leased property
4. The present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90 percent of the fair value of the leased property.

Leases that do not meet any of the above requirements should be recorded as operating leases and are not capitalized.

Note: Support and maintenance related to the purchase of software is not to be capitalized, but should be expensed. Caution should be used as to the term of the agreement to account for benefit beyond the current year for purposes of capturing prepaid expense. Example: If support for the software crosses fiscal years the amount of the expense to the future years must be accounted for in the year of the expense versus expensing the total cost of the support for all the years at the onset of the purchase.

L. Library Books and Reference (Non Book) Materials

A library book is generally a literary composition bound into a separate volume and identifiable as a separate copyrighted item.

Library reference materials are information sources, other than books, which include journals, periodicals, microforms, audio/visual media, computer-based information, manuscripts, maps, documents and similar items which provide information essential to the learning process or which enhance the quality of a library.

M. Works of Art and Historical Treasures

Works of art and historical treasures are classified as either inexhaustible or exhaustible.

Inexhaustible collections and individual items of significance are defined as those items which are not held for financial gain, but rather are held for public exhibition, education or research in furtherance of public service.

Collections and individual items are protected and cared for or preserved and subject to an institutional policy that requires the proceeds from sales to be used to acquire other items for the collection.

Examples of works of art and historical treasures include:

1. Collections of rare books and manuscripts
2. Maps, documents and recordings
3. Works of art such as paintings, sculptures and designs
4. Artifacts, memorabilia, exhibits
5. Unique and significant structures

The period of economic benefit or service potential for inexhaustible works of art and historical treasures is extraordinarily long due to efforts of the institution to protect and preserve the asset in a manner greater than that for similar assets without such cultural, aesthetic or historical value.

Exhaustible collections (of which KCTCS has none as of this issued update) and individual items of significance are items whose useful lives diminish by display or educational or research applications.

Section 3.13.3 – Capitalization Thresholds

All capital items must have an estimated useful life of greater than one year. Assets that are consumed, used-up, or worn-out in one year or less are not to be capitalized. Capital expenditures are recorded as a capital asset if, in addition to having an estimated useful life of greater than one year, they meet the asset cost thresholds listed in the table that follows.

Note: KCTCS capitalizes a project if the aggregate of the project is greater than \$5,000, even though the individual pieces making up the project are less than \$5,000. Example: the cubicle walls of an office workstation individually cost less than \$2,000 each, but the total workstation costs greater than \$5,000.

Also listed in the table below is the asset and expense account for the various classifications of capital assets.

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| Capital Asset Category | Capitalization Levels | Capital Asset Account | Capital Expense Account |
|------------------------------------------------------|-----------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Land | Capitalize all | 14000 | 66100 – Property Purchase |
| Land Improvements | \$200,000 > | 14100 | 67000 – 75000 See Chart of Accounts |
| Buildings and Fixed Equipment | \$200,000 > | 14200 | 67000 - 75000 See Chart of Accounts |
| Building Improvements (Renovations) | \$200,000 > | 14200 | 67000 – 75000 See Chart of Accounts |
| Infrastructure | \$200,000 > | 14250 | 67000 – 75000 See Chart of Accounts |
| Communications and Network Equipment | \$50,000 > | 14300 | 50735 – Equipment |
| Movable Equipment and Machinery | \$5,000 > | 14300 | 50735 - \$5,000 to \$99,999 50732 - \$5,000 to \$99,999 High Risk 64000- \$100,000 or greater 56000- Computing Hardware |
| Fixed Furniture | \$50,000 | 14300 | 57000 - Furniture |
| Licensed Vehicles | \$10,000 > | 14275 | 65000- Vehicles |
| Non-Operating Leases | Capitalize all | 14530 | 66000- Lease Purchase |
| Computer Software | \$400,000 > | 14430 | 59000 – Capitalized Software > \$400,000 |
| Library Books | Capitalize All | 14420 | 58000 – Books |
| Library Reference Materials (Non-Books) | Capitalize All | 14425 | 60000 – Serials/Journals 61000 – Audio/Visuals 62000 - Binding 63000 – Micro Forms |
| Works of Art and Historical Treasures –Inexhaustible | \$5,000 > | 14575 | Donation |
| Equine | \$5,000 > | 14520 | Donation |
| Construction in Progress | \$200,000 > | 14400 | 67000 – 75000 See Chart of Accounts |

Section 3.13.4 - Amounts to Be Capitalized

Capital assets should be recorded at historical cost. Amounts to be capitalized include the following:

A. Donated assets:

Gifts-In-Kind are recorded at the fair market value of the item on the date of donation.

B. Purchased assets:

1. The vendor's invoice price for the item, less any discounts
2. Original incoming transportation (freight) charges incurred on shipments from external suppliers
3. The cost of assembly and installation of the capitalized item, including training costs to make the equipment or software operational
4. Architect and engineering fees
5. Site preparation, including demolition of existing buildings

Section 3.13.5 - Non-capital Expenses

Generally, expenditures which (1) do not meet the capitalization thresholds denoted above and/or (2), which do not extend the original life or significantly enhance the net value of the asset are not considered to be capital items. Accordingly, the following items are not capitalized.

1. Expenditures for repairs, maintenance or replacement of component parts for supporting, software and fixed equipment, that does not extend the original life or significantly enhance the net value of the asset. Costs associated with allowing an asset to continue to be used during its originally established useful life.
2. Expenditures incurred in demolishing or dismantling equipment, including those related to the replacement of units or systems.
3. Expenditures incurred in connection with the rearrangement, transfer or moving of capital items from one location to another, including expenditures in dismantling, transporting, reassembling and reinstalling such items in the new location.
4. Expenditures to add, remove and/or move walls relating to a renovation project that are not considered to be a major renovation project.
5. Interior decorations, such as draperies, blinds, and wallpaper.
6. Maintenance type interior renovations such as repainting touch up plastering, replacement of carpet, tile or panel sections.

Section 3.13.6 - Depreciation

Depreciation is the process of allocating the cost of a capital asset over the period of time benefited by the use of that asset, rather than deducting the cost of the asset as an expense in the year of acquisition.

A capital asset is depreciated over its estimated useful life, which is meant to be an indication of the number of years that an asset will be used for the purpose for which it was purchased.

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Capital assets that are inexhaustible (land, works of art, Library Special Collections) should not be depreciated.

Capital assets should be depreciated over the following estimated useful lives:

| Capital Asset Category | Depreciation Method | Useful Life |
|-------------------------------------------------------|----------------------------|-------------------------------------------------------------|
| Land | Not depreciated | Unlimited |
| Land Improvements | Straight line | 40 years |
| Buildings and Fixed Equipment | Straight line | 40 years |
| Building Improvements (Renovations) | Straight line | 40 years |
| Infrastructure | Straight line | 25 years |
| Communications and Network Equipment | Straight line | 5 years |
| Equipment and Machinery | Straight line | 5 –10 years |
| Vehicles | Straight line | 5 years |
| Leased Equipment (Not an installment purchase) | Not depreciated | Not applicable |
| Leased Equipment (Installment Purchase) | Straight line | Estimated useful life or lease period, whichever is shorter |
| Computers – Desk/Laptop | Straight line | 3 years |
| Computer Software | Straight line | 5 years |
| Library Books | Straight line | 10 years |
| Reference (Non Books) Materials | Straight line | 5 years |
| Works of Art and Historical Treasures - Inexhaustible | Not depreciated | Not applicable |
| Works of Art and Historical Treasures – Exhaustible | Straight line | 10 years |
| Energy Savings Assets | Straight line | 10 years |
| Equine | Not depreciated | Not applicable |
| Construction In Progress | Not depreciated | Not applicable |

Section 3.13.7 – Asset Inventory

Individual equipment items (not part of a system) costing less than \$5,000, while not capitalized, are required to be inventoried. Equipment inventory will be recorded in the Physical Facilities Inventory System as follows and inventoried on a periodic basis as defined in KCTCS Business Procedures 2.2 and 2.9.

Category I: Equipment costing \$1,000 or more will be inventoried.

Category II: High Risk Equipment –for purposes of this procedure is defined as computer equipment that is of greater exposure to being breached, stolen, resold, or abused on a personal level. Such equipment can contain sensitive propriety

information and could pose a security breach if not handled correctly, lost, or stolen. Similarly, high risk equipment has greater inherent opportunity for personal use/abuse versus a bona fide KCTCS business use. To provide for greater accountability and due diligence, high risk equipment will be inventoried within PeopleSoft when the equipment costs at least \$500.00.

Computer related equipment such as desk-top computers, laptops, iPads and other high risk electronic equipment costing more than \$200 but less than \$500.00 should be added to the KCTCS Inventory under \$500 screen in PeopleSoft for tracking purposes. While this equipment will not be insured, it should be assigned to a permanent fixed location or an employee. Doing so will aide in tracking and accountability, provide a mechanism to help ensure the cleaning of its memory, removal of any licensed software, etc., where and when applicable when the item is no longer in service.

Questions on whether to tag a piece of equipment for inventory should be directed to KCTCS Facilities Management – Property Asset Division. For more information on information technology equipment and related policies please see KCTCS Administrative Policies and Procedures [4.2.5 Information and Information Technology Responsible Use Policy](#) .

Section 3.13.8 - Capitalization Accounts

- A. Items costing \$5,000 or more are to use the appropriate expense account under the Capital Outlay section (0511 budget pool) of the accounts in the Chart of Accounts. **Note:** Services in support of capital outlay such as computer software support, M & O maintenance contracts, service and support agreements, etc. are not to be charged to the 0511 budget pool listing of account codes. Rather, said items are consumables and are to be expensed. Caution should be used to account for the payment where the service crosses fiscal years so as to capture the prepaid portion of the expense in the proper fiscal year.

For specific capital outlay codes please see Business Services Chart of Accounts - Capital Expense, Capital Outlay [Chart of Accounts](#)

- B. Equipment with a cost of \$4,999 or less and defined as “high risk” must use account 51050 – Equipment, High Risk < \$5,000.
- C. Equipment with a cost of \$4,999 or less and not defined as “high risk” must use account 51040 - Equipment < \$5,000.

Section 3.13.9 – Examples

(See Below)



KCTCS Expenditure Transaction Detail Form (BA8)

Date: 5-18-2007

EXAMPLE 1

Document #:

Type of Expenditure: Procurement Card Check Request Requisition

Name of Person Making Expenditure:

Cardholder's Name:
(Procard ONLY)

| VENDOR INFORMATION | | DELIVER TO |
|--------------------|------------------|------------------------------------|
| NAME | Oracle USA, Inc. | System Office Technology Solutions |
| PS #/LOC | | |
| REP | | |
| ADDRESS | Dept 10699 | |
| CITY/STATE | Palatine IL | |
| PHONE | | DELIVERY DATE: |
| FAX | | CONTACT PERSON: |
| EMAIL/WEB | | |

BONA FIDE BUSINESS PURPOSE

PeopleSoft Modules to include Financials, Budgets, Student and HR.

Coding expense to a single chartstring

The quarterly software maintenance charges should be charged to expense account 50855 Service and Maintenance of Software, not to account 59000, Capitalized Software greater than \$200,000.

Account Distribution Summary

Please use back of sheet if additional lines are required for account distribution.

| | | | | | | | | |
|--------------|-------|---------|------|--------|-------|-------|---------|------|
| \$224,588.28 | 24000 | 50855 | 01 | XXXXXX | XXXXX | 00 | n/a | 2007 |
| Amount | BU | Account | Fund | Dept. | Prog. | Class | Prj/Grt | FY |

| | | | | | | | | |
|--------|----|---------|------|-------|-------|-------|---------|----|
| | | | | | | | | |
| Amount | BU | Account | Fund | Dept. | Prog. | Class | Prj/Grt | FY |

| QTY | UOM | ITEM # | DESCRIPTION | UNIT PRICE | TOTAL PRICE |
|-----|-----|--------|---------------------------------------------------------------------------|-------------------------|-------------|
| 1 | Ea | 1 | Software Update License & Support 9/24/06 – 12/23/06 Quarterly payment | 224,588.28 | 224,588.28 |
| | | | | Subtotal | 224,588.28 |
| | | | | Totals from other pages | |
| | | | | Grand Total | 224,588.28 |

Person Making Expenditure

Supervisor of Person Making Expenditure

Budg. Auth. Signature if not Supervisor

Cardholder

Supervisor of Cardholder

CEO Approval (if Appropriate)

KCTCS Expenditure Transaction Detail Form (BA8)

Date: 5-18-2007

EXAMPLE 2

Document #:

| |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type of Expenditure: <input type="checkbox"/> Procurement Card <input type="checkbox"/> Check Request <input checked="" type="checkbox"/> Requisition |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|

Name of Person Making Expenditure:

Cardholder's Name:
(Procard ONLY)

| VENDOR INFORMATION | | DELIVER TO |
|--------------------|------------------|------------------------------------|
| NAME | Oracle USA, Inc. | System Office Technology Solutions |
| PS #/LOC | | |
| REP | | |
| ADDRESS | Dept 10699 | |
| CITY/STATE | Palatine IL | |
| PHONE | | DELIVERY DATE: |
| FAX | | CONTACT PERSON: |
| EMAIL/WEB | | |

BONA FIDE BUSINESS PURPOSE

Oracle PeopleSoft Software Expansion of License Rights and support/maintenance

The charges are allocated with \$500,000 for software license charged to capital account 59000, (Capitalized Software greater than \$200,000) and \$210,000 (Service and Maintenance of Software) charged to expense account 50855.

Note: This involves payment of support/maintenance associated with the expanded license rights and is not a prepaid expense.

Account Distribution Summary

Please use back of sheet if additional lines are required for account distribution.

| | | | | | | | | |
|---------|-------|---------|------|--------|-------|-------|---------|------|
| 500,000 | 24000 | 59000 | 01 | XXXXXX | XXXXX | 00 | n/a | 2007 |
| Amount | BU | Account | Fund | Dept. | Prog. | Class | Prj/Grt | FY |
| 210,000 | 24000 | 50855 | 01 | XXXXXX | XXXXX | 00 | n/a | 2007 |
| Amount | BU | Account | Fund | Dept. | Prog. | Class | Prj/Grt | FY |

| QTY | UOM | ITEM # | DESCRIPTION | UNIT PRICE | TOTAL PRICE |
|-------------------------|-----|--------|----------------------------------------------------------------------|------------|-------------|
| 1 | Ea | 1 | Expansion of PeopleSoft License Rights - PeopleSoft Financial Module | 500,000 | 500,000 |
| 1 | Ea | 2 | Support/Maintenance Associated with Expansion of License Rights | 210,000 | 210,000 |
| Subtotal | | | | | 710,000 |
| Totals from other pages | | | | | |
| Grand Total | | | | | 710,000 |

Person Making Expenditure

Supervisor of Person Making Expenditure

Budg. Auth. Signature if not Supervisor

Cardholder

Supervisor of Cardholder

CEO Approval (if Appropriate)



KCTCS Expenditure Transaction Detail Form (BA8)

Date: 2-8-2007

EXAMPLE 3

Document #:

Type of Expenditure: Procurement Card Check Request Requisition

Name of Person Making Expenditure:

Cardholder's Name:
(Procard ONLY)

| VENDOR INFORMATION | | DELIVER TO |
|--------------------|--------------------|------------------------------------|
| NAME | Dell Computer Corp | System Office Technology Solutions |
| PS #/LOC | | |
| REP | | |
| ADDRESS | One Dell Way | |
| CITY/STATE | Round Rock, TX | |
| PHONE | | DELIVERY DATE: |
| FAX | | CONTACT PERSON: |
| EMAIL/WEB | | |

BONA FIDE BUSINESS PURPOSE

Microsoft Campus Agreement for license and software for Students, Faculty and Staff for the period from February 1, 2007 to January 31, 2008.

The charges are for a subscription which is for a period of one year and should be charged to expense account 51060 (Non-Capital Software less than \$200,000).

This is a prepaid expense for a license /subscription period crossing fiscal years. The coverage period is indicated. Thus, the benefit of the use of the software will extend into a subsequent fiscal year period and this pre-paid expense should be reported to KCTCS Accounting to properly account for the expense in the period of actual use.

Account Distribution Summary

Please use back of sheet if additional lines are required for account distribution.

| | | | | | | | | |
|--------------|-------|---------|------|--------|-------|-------|---------|------|
| \$349,916.15 | 24000 | 51060 | 01 | XXXXXX | XXXXX | 00 | n/a | 2007 |
| Amount | BU | Account | Fund | Dept. | Prog. | Class | Prj/Grt | FY |

| | | | | | | | | |
|--------|----|---------|------|-------|-------|-------|---------|----|
| | | | | | | | | |
| Amount | BU | Account | Fund | Dept. | Prog. | Class | Prj/Grt | FY |

| QTY | UOM | ITEM # | DESCRIPTION | UNIT PRICE | TOTAL PRICE |
|-------------------------|-----|--------|------------------------------------------------------------------------------|------------|-------------|
| 50,732 | Ea | 1 | Microsoft Student Core Cal. License and Software (Student) | 1.60 | 81,171.20 |
| 5,479 | Ea | 2 | Microsoft Faculty/Staff Desktop Bundle w/Enterprise Cal License and Software | 49.05 | 268,744.95 |
| Subtotal | | | | | 349,916.15 |
| Totals from other pages | | | | | |
| Grand Total | | | | | 349,916.15 |

Person Making Expenditure

Supervisor of Person Making Expenditure

Budg. Auth. Signature if not Supervisor

Cardholder

Supervisor of Cardholder

CEO Approval (if Appropriate)



KCTCS Expenditure Transaction Detail Form (BA8)

Date: 5-18-2007

EXAMPLE 4

Document #:

Type of Expenditure: Procurement Card Check Request Requisition

Name of Person Making Expenditure:

Cardholder's Name:
(Procard ONLY)

| VENDOR INFORMATION | | DELIVER TO |
|--------------------|------------------|------------------------------------|
| NAME | Oracle USA, Inc. | System Office Technology Solutions |
| PS #/LOC | | |
| REP | | |
| ADDRESS | Dept 10699 | |
| CITY/STATE | Palatine IL | |
| PHONE | | DELIVERY DATE: |
| FAX | | CONTACT PERSON: |
| EMAIL/WEB | | |

BONA FIDE BUSINESS PURPOSE

DSS Project Software and support/maintenance

The charges are allocated with \$570,885.60 (software license) charged to capital account 59000 (Capitalized Software greater than \$100,000) and \$126,594.80 for software support/maintenance charges to expense account 50855 (Service and Maintenance of Software).

Note: This involves pre-payment of support/maintenance over multiple fiscal years. Pre-paid expense should be reported to KCTCS Accounting to properly account for the expense in the period of actual use.

Account Distribution Summary

Please use back of sheet if additional lines are required for account distribution.

| | | | | | | | | |
|--------------|-------|---------|------|--------|-------|-------|---------|------|
| \$570,885.40 | 24000 | 59000 | 01 | XXXXXX | XXXXX | 00 | n/a | 2007 |
| Amount | BU | Account | Fund | Dept. | Prog. | Class | Prj/Grt | FY |

| | | | | | | | | |
|--------------|-------|---------|------|--------|-------|-------|---------|------|
| \$125,594.80 | 24000 | 50855 | 01 | XXXXXX | XXXXX | 00 | n/a | 2007 |
| Amount | BU | Account | Fund | Dept. | Prog. | Class | Prj/Grt | FY |

| QTY | UOM | ITEM # | DESCRIPTION | UNIT PRICE | TOTAL PRICE |
|-----|-----|--------|------------------------------------------------|-------------------------|-------------|
| 1 | Ea | 1 | License-PeopleSoft Enterprise Fusion Analytics | 570,885.60 | 570,885.60 |
| 1 | Ea | 2 | First Year Maintenance | 125,594.80 | 125,594.80 |
| | | | | Subtotal | 696,480.40 |
| | | | | Totals from other pages | |
| | | | | Grand Total | 696,480.40 |

Person Making Expenditure

Supervisor of Person Making Expenditure

Budg. Auth. Signature if not Supervisor

Cardholder

Supervisor of Cardholder

CEO Approval (if Appropriate)

END OF PROCEDURE