

I. POLICY

Salt Lake Community College shall maintain a system to account for institutional property under the control and responsibility of the college. The college capitalizes, inventories, records and accounts for assets in accordance with federal and state laws, and state board of regent's policy.

II. REFERENCES

- A. Equipment, 2 C.F.R. § 200.313.
- B. Accounting and Financial Controls, Utah State Bd. of Regents r. 561.

III. DEFINITIONS

- A. Asset: Any college property having future measurable economic value and useful benefit to the college.
- B. Asset Cost: The basis for valuing property includes the cash or cash equivalent price of obtaining property and preparing it for intended use. Original purchase cost of the asset includes freight, installation, closing and related fees. If a piece of college equipment is approved as a trade-in toward the purchase of a similar type of equipment, the capitalized cost of the new equipment will be the actual invoice expense paid plus the value of the equipment traded-in. Current fair market value of property donated to the college (Refer to section VI.E.). Repair/maintenance expenditures are recorded as current expense and are not included as part of the asset cost.
- C. Capital Asset: Any college property the unit cost of which equals or exceeds the current capitalization threshold of \$5,000 or in conformance with state or federal guidelines.
- D. Capitalization Threshold: The cost of acquiring an asset that is tracked and expensed over the life of the asset rather than being expensed in the period it was acquired. The current college capitalization threshold is \$5,000 or greater, or a dollar amount in conformance with state or federal requirements.
- E. College Funds: Funds administered and controlled by the college without regard to the source of such funds. This includes grant, contract and funds donated to the college.

- F. College Property: Property to which title is vested in the college whether purchased with college funds or acquired by bequest or gift.
- G. Custodian: The person within a department being responsible for the physical control of assigned assets. This will generally be the budget center manager.
- H. Department Tracked Asset: Any college asset the cost of which is less than the established capitalization threshold but is of such value or importance that a department tracks and safeguards the asset on a departmental basis.
- I. Federal And State Property: Property held and used by the college, but owned or furnished by the federal or state government or acquired by the college with federal or state funds under the terms of a contract or grant for which the government entity retains title.
- J. Fixed Assets System: A computer system maintained by the college's Property Control office where college capitalized equipment, vehicles and non-capital computer assets are recorded, accounted for and tracked on a college-wide basis. Other capitalized assets such as buildings, land, land improvements, library collections, etc. are tracked separately within the Controller's Office.
- K. Non-Capital Computer Asset: A computer, server, or switch the cost of which is less than the \$5,000 current capitalization threshold.
- L. Non-Government Property: Property held and used by the college that is supplied by a non-government entity and the college does not hold title to such property.
- M. Property: Equipment, infrastructure/land improvements, land, buildings, works of art, library collections and supplies, purchased with any college funds, acquired from the state Department of Facilities Construction and Management, or bequeathed or contributed to the college. Items under custodial care of the college are considered as college property regardless of whether the college owns or has title to such property.
- N. Property Control Office: The college department under the direction of the Controller's Office charged with the responsibility to maintain the fixed assets system and see that capital and tractable assets are properly accounted for.
- O. Surplus College Property: Property that the college has the authority to surplus because it is no longer of institutional use or value.
- P. Surplus Federal or State Property: Property determined to be excess by the state or federal government which is made available to the college for purchase or donated to the college.

- Q. Surplus Non-Government Property: Property supplied by a non-government entity which is made available to the college for purchase or donated to the college.
- R. Surplus Property: Property that is unusable or no longer required and is subject to disposal.

IV. PROCEDURES

- A. A record of all capital assets will be accounted for, maintained and tracked in the fixed assets system. The system requires the following asset information:
 - 1. asset description;
 - 2. asset value;
 - 3. purchase date (or date gift receipted);
 - 4. purchase order number;
 - 5. department;
 - 6. designated custodian or budget center manager;
 - 7. location (building and room);
 - 8. inventory number (asset tag);
 - 9. manufacturer;
 - 10. model number;
 - 11. serial number;
 - 12. make;
 - 13. asset type (e.g. vehicle, general equipment, computer, etc.); and
 - 14. title ownership (college, federal or state).
- B. Non capital computer assets will also be accounted for and tracked in the fixed asset system. The same information fields are required for these items as noted in section IV.A .
- C. Department tracked assets are not included in the fixed asset system, but are to be recorded and accounted for on a departmental basis. It is recommended that departments record the same information for their tracked assets as noted in IV.A , except that the inventory number for each asset will be a department

generated number. Departments determine on an individual basis which property they will track using the following criteria:

1. asset cost;
2. susceptibility to frequent theft/loss;
3. reporting purposes for grants, accreditation and statistical measures;
4. mission-critical;
5. assets having an established replacement cycle;
6. frequent location changes; and
7. other criteria deemed necessary by the department.

D. Asset Tags and Recording Assets in the Fixed Assets System

1. The asset tracking process starts with the submission of a purchase requisition for a capital asset.
2. Departments should verify that the proper capital asset account code is entered on the requisition for the asset to be purchased. When a subsequent purchase order is created, Property Control assigns an asset tag number.
3. When the capital asset is actually received by the college, Property Control is responsible for affixing the pre-numbered asset tag to the item, and will obtain the necessary information for recording the asset in the fixed assets system.
4. Departments may be asked to physically tag assets. If so, the asset tag and an asset control sheet will be sent to the department. The tag should be affixed to the asset promptly after it is received by the college and the department should complete and return the sheet to Property Control within 10 working days due to the importance of accounting for the asset in a timely manner.
5. In general, the IT department will be responsible for tagging computers and completing the asset control sheets in the set up process before the computers are delivered to departments.
6. Equipment purchased with federal or state grant funds shall conform to the above procedure, as well as to all applicable federal or state requirements. Those items shall have a unique tag noting that they are federal or state property.

- E. Equipment obtained by the college through donation and in accordance with the Gift Receipt and Acceptance Policy will be reviewed and evaluated by the Development office and Property Control to determine the fair market value; and complete the asset control sheet for purposes of recording the asset(s) in the fixed assets system.
- F. Donated items that do not meet the capital asset criteria may still be department tracked if so determined by a department.
- G. Depreciation Expense
 - 1. For equipment, vehicles and computers tracked in the fixed assets system, the system automatically calculates annual depreciation expense over the life of the assets.
 - 2. The Controller's Office is responsible for calculating depreciation over the life of other capital assets (e.g., buildings, land, library collections, etc.) tracked outside of the fixed assets system.
- H. Departmental Responsibilities for Conducting Physical Inventories
 - 1. Departments are jointly responsible with Property Control for the custody, control, use and maintenance of all college-owned property in their possession.
 - 2. Departments will notify Property Control of any change to custodian or location of assets within 10 working days of the change using one of two forms:
 - a. Property transferred to another department or location is reported using the Department to Department Transfer Form.
 - b. Property deemed to be surplus and picked up by the Surplus property department is reported using the Surplus Property Form.
 - 3. The current custodian should not relinquish physical control of any inventoried asset without completing one of these forms containing the signature of the person receiving the asset as evidence responsibility was transferred.
 - 4. After the form is submitted to Property Control, the asset(s) will be removed from that department's inventory report.
 - 5. The department has responsibility for safeguarding and tracking all assets under its custody as recorded in the fixed assets system and shall at least annually conduct a physical inventory of their assets.

6. To facilitate the physical inventory process, Property Control will send each department a physical inventory report listing all the assets for which it is accountable.
 - a. All assets shown on the physical inventory report must be physically verified and accounted for in accordance with instructions provided by Property Control.
 - b. Although department budget center managers may delegate physical checks to actual users, the manager must approve the completed inventory and return the report and signature page to Property Control, within the timeframe given in the instructions, unless an extension is requested and granted.
 - c. Verified changes to what is shown on the physical inventory report are to be addressed as follows:
 - (1) Any change of custodian, location or status must be shown on the physical inventory report and be documented with a copy of the completed Department to Department Transfer Form or Surplus Property Form.
 - (2) If a copy of the transfer form is not available and the new custodian has accepted ownership by including the asset on their physical inventory report, this action will be sufficient evidence for Property Control to delete the asset from the prior custodian and assign it to the new custodian in the fixed assets system.
 - (3) Verified changes will be entered into the fixed asset system by Property Control.
 - d. Any physically verified asset that is missing an asset tag shall be so noted on the returned report. Property Control will send a replacement tag to the department to be re-affixed to the asset.
 - e. Any incorrect or missing information on the report should be updated so Property Control can update the fixed assets system.
7. Property Control may independently verify the accuracy of department physical inventory reporting through routine sampling and testing methods.
8. Property Control may arrange for a complete physical inventory of any department at its discretion.

9. Missing Assets

- a. Departments shall not be relieved of accountability for missing assets in the absence of diligent effort.
- b. If an asset cannot be located, the budget center manager shall certify a thorough investigation has been made before approving a change to the inventory listing. See section VI.J for assets suspected of being stolen.
- c. Missing computers older than three years can be taken off inventory with provost/vice president approval. Computers less than three years old will need a police report and provost/vice president approval to be taken off inventory.
- d. Other non-computer assets regardless of age will need a police report and provost/vice president approval to be taken off inventory.

10. Property Control, after each annual physical inventory has been completed, will prepare for each cabinet member a three year trend analysis report of missing assets.

I. Provost/Vice President Review

1. If the physical inventory report is not returned to Property Control after the deadline or any extended due time, the provost/vice president may be notified and asked to follow-up with the budget center manager.
2. If the department lists assets as lost or missing, the provost/vice president must sign off on the physical inventory report so a cabinet member is aware of the missing assets.

J. Stolen Assets

1. Departments that suspect an asset has been stolen shall report it immediately to SLCC Public Safety, Risk Management, and Property Control.
2. The stolen asset report should contain the following (Property Control can assist in determining this information):
 - a. date asset was first missed;
 - b. thorough description of asset;
 - c. purchase order number;

- d. recorded value;
 - e. serial number, if applicable;
 - f. asset tag number, if applicable;
 - g. where asset was last seen;
 - h. accessibility of asset;
 - i. college-owned or grant property; and
 - j. listed budget center manager.
3. The budget center manager will send Property Control the police report number to have the stolen item taken off inventory.

K. Surplusing, Disposing, or Cannibalizing Property

1. Surplusing, disposing of, selling, trading-in or cannibalizing college assets must be done in accordance with college surplus property rules and procedures and in accordance with any federal, state or other grant requirements.
2. If an asset has a federal or state identifier tag, it cannot be disposed of without obtaining consent from Sponsored Projects Accounting.
3. A grant accountant will coordinate with the appropriate government or grantor entity to receive authorization to dispose of the asset in accordance with the entity's requirements.
4. Federal tagged assets are governed under provisions of Office of Management and Budget. See Equipment, 2 C.F.R. § 200.313.

Last Cabinet Review: December 12, 2017

The originator of this policy & procedure is the Property Control office. Questions regarding this policy may be directed to the originator by calling 801-957-4251.