

SALT LAKE COMMUNITY COLLEGE  
POLICIES AND PROCEDURES

Chapter: 1  
Section: 6.01  
Computer Index Code: C1S06.01  
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**POLICY # C1S06.01**

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Subject: Chapter 1 ADMINISTRATION–VICE PRESIDENT  
Section 6.01 FIXED ASSETS POLICY

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I. PURPOSE

To outline the policy for capitalizing and inventorying SLCC assets. Additionally, to establish policy and procedure for tracking non-inventoried property, surplusing obsolete or unused property, and reporting missing or stolen property.

II. POLICY

Salt Lake Community College maintains a system for recording institutional property that is the responsibility of the College. The College capitalizes, inventories, records, and accounts for property in accordance with federal and state laws, State Board of Regents' policy, and College policy.

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I. REFERENCES

63A-2-301.5 Utah Code Annotated, 1953.  
State Board of Regents Policy R561.

II. DEFINITIONS

- A. ASSETS - Equipment, infrastructure, library books, works of art, supplies, land, land improvements, buildings, building improvements purchased with any funds administered by the College, acquired from the State Department of Facilities Construction and Management, or bequeathed or contributed to the College.
1. FEDERAL AND STATE PROPERTY - Property 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.
  2. COLLEGE PROPERTY - That property to which title is vested in the College whether purchased with College funds or acquired by bequest or gift.
  3. NON-GOVERNMENT PROPERTY - Property supplied by a non-government entity.
- B. SURPLUS - Property that is unusable or no longer required.
1. 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 as a gift.
  2. SURPLUS COLLEGE PROPERTY - Property that the College has the authority to surplus.
  3. SURPLUS NON-GOVERNMENT PROPERTY - Property supplied by a non-government entity.

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- C. COLLEGE FUNDS - Funds administered and controlled by the College without regard to the source of such funds.
- D. ASSET - Any goods or property with an assessable value.
  - 1. INVENTORIED CAPITAL ASSET - Any College asset whose value equals or exceeds the capital limit of \$5,000 in conformance with Board of Regents, state and federal guidelines.
  - 2. INVENTORIED NON-CAPITAL ASSET - Computers whose value is less than the capital limit established by the College but at least \$1,000.
  - 3. TRACKED ASSET - Any College asset under the established inventoried amount and tracked on a departmental basis.
- E. ASSET COST - The basis for valuing property. It includes the cash or cash equivalent price of obtaining property and preparing it for intended use.
  - 1. Cost of the asset includes freight, installation, closing or related fees.
  - 2. Repair/maintenance expenditures are recorded as current expense.
- F. FIXED ASSET ACCOUNTING CONVENTIONS - Conventions established by State Board of Regents Policy R561-3.1.1.

III. PROCEDURE

All property acquired will be accounted for according to its categorization.

- A. A record of all items valued at \$5,000 or more will be maintained on the Fixed Asset System. The system requires a description of the item, value, date purchased and purchase order number, department, custodian, location (building and room), inventory number, manufacturer, model and serial number.

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- B. Computers valued at \$1,000 or more will also be inventoried on the Fixed Asset System. The same information fields are required for these items.
- C. Other high risk and mission-critical items under \$5,000 may be tracked on a departmental basis. Departments determine on an individual basis which items they will track. The following criteria should be used to evaluate what inventory is tracked.
  - 1. Susceptible to frequent theft/loss.
  - 2. Reporting purposes for grants, accreditation and statistical measures.
  - 3. Mission-critical.
  - 4. Goods having an established replacement cycle.
  - 5. Frequent location changes.
- D. Acquisition of Property - property is acquired by purchase or donation. Purchases shall comply with College Policy Chapter III, Section 10.0.
  - 1. Equipment qualifying for recording in the Fixed Asset System is received at designated College locations.
    - a. Property Control assigns an asset tag and records the item in the Fixed Asset System when the College pays the invoice. It sends a pre-numbered asset tag and an Asset Control Sheet to the department.
    - b. The department is responsible for tagging the equipment. It may also stencil the number on the equipment. It fills out the Asset Control Sheet and sends it back to Property Control within 10 working days.
  - 2. Equipment purchased with federal or state grant funds shall conform with the above procedure, as well as applicable federal or state requirements. Those items shall have a tag noting that they are federal or state property.

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3. Equipment obtained by the College through donation or the Surplus Property Program will be reviewed and evaluated to determine a fair market value and will be handled according to the above procedure.
  - a. The department shall notify the Development Office as soon as it receives any donated item.
  - b. The Development Office and Property Control will coordinate to record items that should be included on the Fixed Asset System.
  - c. Donated items that meet the criteria for mission-critical or high risk will be tracked by the department in accordance with this procedure.

E. Physical Inventories

Departments have responsibility for the custody, control and use of all College-owned property in their possession.

1. Departments shall at least annually conduct an inventory of items on the Fixed Asset System. To facilitate control and custody, Property Control will send each department a list of the property for which it is accountable.
  - a. Department managers will arrange, upon the receipt of the computer report, a physical inventory.
  - b. The department manager shall verify the inventory list in accordance with instructions provided by Property Control. The department manager must approve the completed inventory and return the report to Property Control within 30 days, unless an extension is requested and granted. Inventories not returned in a timely manner will be brought to the attention of the Executive Dean/Vice President of the department manager for review and appropriate follow-up.
  - c. The department has responsibility for all equipment under its central cus-

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today as shown by the Fixed Asset System listing.

- (1) All items shown on the report must be physically checked. Department managers may find it easiest to delegate physical checks to actual users. The date of inspection and the initials of the person making the inspection will be noted on the printout.
  - (2) Changes of custodian, location or status will be shown on the report or by an accompanying letter.
  - (3) Verified changes shall be entered into the Fixed Asset System.
    - (a) Changes in custodianship shall be made only by Property Control.
    - (b) Changes in location may be entered by the department or Property Control. All location changes must be noted on the inventory report.
  - (4) Transfers, surplus, or cannibalized equipment cannot be deleted from inventories without appropriate documentation.
- d. Centrally inventoried equipment missing inventory tags will be noted on the returned reports. Property Control will send replacement tags to the department to be re-affixed to the equipment.
2. Property Control will verify the accuracy of equipment inventory reporting through sampling and testing.
    - a. Property Control may arrange for a complete physical inventory of a department if it deems it necessary.
    - b. A selected physical inventory of all equipment of the College, as reflected on the Fixed Asset System, will be conducted on a continuing basis by Property Control.

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- F. Departments shall not be relieved of accountability for unlocated property in the absence of diligent effort. If an item cannot be located, the department manager shall certify a thorough investigation has been made before approving a change to the inventory listing. Approval from the Executive Dean/Vice President must be obtained to remove unlocated items from the records.
1. All missing or stolen items on the Fixed Asset System, shall be reported to Police Services immediately by telephone.
  2. The report will be followed up with an e-mail describing the following:
    - Date item was first missed
    - Thorough description of item
    - Recorded value
    - Serial number, if applicable
    - Asset tag number, if applicable
    - Where item was last seen
    - Accessibility of item
    - College-owned or grant property
    - Listed custodian
  3. The e-mail will courtesy copy Property Control.
- G. Surplus, Disposal and Sale of Equipment
- See Surplus Policy and Procedure.
- H. Cannibalization
- All parts of equipment listed in the Fixed Asset System being cannibalized must belong to a single identified custodian before being cannibalized.
1. Items belonging to two different custodians must be transferred to a single custodian by sending notice to Property Control.

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2. The new custodian then sends notice to Property Control explaining what parts were cannibalized and which asset tag(s) should be deleted.
3. The added items are part of the equipment with the remaining asset tag.