

FIXED AND TRACKABLE NON-CAPITAL ASSETS

I. POLICY

Salt Lake Community College shall maintain a system to account for institutional property under its control. The college capitalizes, inventories, records and accounts for assets following federal and state laws, and the State Board of Higher Education policy.

II. REFERENCES

- A. Equipment, 2 C.F.R. § 200.313.
- B. Accounting and Financial Controls, Utah Bd. of Higher Educ., r. 561.
- C. Noncapital Asset Inventory and Tracking, Utah Bd. of Higher Educ., r. 572.

III. DEFINITIONS

- A. Asset: Any college property having future measurable economic value and benefit to the college.
- B. Asset Cost: The original purchase price of an asset plus the price of preparing it for its intended use.
- C. Budget Center Manager (BCM): An employee who has accepted authority and responsibility to act on the college's behalf in certain financial matters. Generally, administrators, deans, chairs, directors or managers are BCMs.
- D. Capital Asset: Any college property the unit cost of which equals or exceeds the college's current capitalization threshold.
- E. Capitalization Threshold: The cost limit of an asset that is tracked and expensed over the life of the asset rather than the period in which it was acquired. The current college capitalization threshold is \$5,000 or greater.
- F. College Funds: Monies administered and controlled by the college regardless of the source.
- G. College Property: Property to which the college holds title.
- H. Custodian: The person within a department responsible for the physical control of assigned assets. This is the Budget Center Manager.
- I. Federal and State Property: Property held and used by the college, but owned by the federal or state government.

- J. Fixed Assets System: A system maintained by the college's Property Control office in which college capitalized equipment, vehicles, and trackable non-capital assets are recorded and tracked.
- K. Non-Capital Computer Asset: Computer equipment with a per unit cost of less than the current capitalization threshold.
- L. Property: Equipment, infrastructure or land improvements, land, buildings, works of art, library collections purchased with college funds, acquired from the state Department of Facilities Construction and Management, 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.
- M. Property Control Office: The college department under the direction of the Controller's Office responsible for maintaining the fixed assets system and see that capital and tractable assets are properly accounted for.
- N. Surplus College Property: Property that has no further value to the college and which the college has the authority to discard.
- O. Trackable Non-Capital Asset: Any college asset the unit cost of which is between \$1,500 and \$4,999.99 with an estimated useful life greater than one year. All non-capital computer assets are trackable non-capital assets.

IV. PROCEDURES

- A. A record of all capital assets and trackable non-capital assets will be accounted for, maintained and tracked in the fixed assets system. The system requires the following asset information:
 - 1. asset type (e.g. vehicle, general equipment, computer, etc.);
 - 2. asset description;
 - 3. make or manufacturer;
 - 4. model number;
 - 5. serial number;
 - 6. asset value;
 - 7. purchase date (or date gift receipted);
 - 8. purchase order number;
 - 9. department;
 - 10. designated custodian or budget center manager;
 - 11. location (building and room);

12. inventory number (asset tag);
13. title ownership (college, federal, or state).

B. 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 must verify that the proper capital asset account code is entered on the requisition for the asset to be purchased. Property Control will assign an asset tag number when a purchase order is created.
3. When the capital asset or trackable non-capital asset is received by the college, Property Control is generally 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. Property Control may ask departments to physically tag assets. If so, Property Control will send the asset tag and an asset control sheet to the department.
5. The department must affix the tag to the asset promptly after the college receives it and complete and return the control sheet to Property Control within 10 working days.
6. Generally, OIT is responsible for tagging computers and completing the asset control sheets before delivering the computers to departments.
7. 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.

C. The Development office and Property Control will review and evaluate donated assets to determine the fair market value and complete the asset control sheet

D. Depreciation Expense

1. For equipment and vehicles 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.

E. Departmental Responsibilities

1. Departments are jointly responsible with Property Control for the custody, control, location, use and maintenance of all college-owned property in their possession.

2. New Custodians

- a. Departments will notify Property Control of any change to custodian or location of assets within 10 working days using one of two forms:
 - (1) The Department to Department Transfer Form for property transferred to another department or location; or
 - (2) The Surplus Property Form for property deemed to be surplus and picked up by the Surplus department.
- b. The current custodian should not relinquish control of any inventoried asset without completing one of these forms that contains the signature of the person receiving the asset.
- c. After Property Control receives the form it will remove the asset from that department's inventory report.

3. Conducting Physical Inventories

- a. The department is responsible for safeguarding and tracking all assets in its custody as recorded in the fixed assets system and shall conduct a physical inventory of its assets annually.
- b. Property Control will send each department a physical inventory report listing all the assets for which it is responsible, instructions, and a deadline for completing the inventory.
 - (1) All assets shown on the physical inventory report must be physically verified and accounted for following Property Control instructions.
 - (2) 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 by the deadline unless an extension is granted.
 - (3) Verified changes to the physical inventory report are to be addressed as follows:
 - (a) 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.
 - (b) 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, Property Control will delete the asset from the prior custodian and assign it to the new custodian in the fixed assets system.

- (c) Property Control will enter verified changes into the fixed asset system.
 - (4) Departments must note any asset that it physically verifies is missing an asset tag on the inventory report. Property Control will send a replacement tag to the department to be re-affixed to the asset.
 - (5) Departments must update incorrect or missing information on the report so Property Control can update the fixed assets system.
 - c. If a department does not return the physical inventory report to Property Control before the deadline or extension, the provost or vice president may be notified and asked to follow-up with the budget center manager.
 - d. Property Control may independently verify a department's physical inventory reporting accuracy through routine sampling and testing methods.
 - e. Property Control may arrange for a complete physical inventory of any department at its discretion.
4. Missing Assets
- a. Departments will be held accountable for missing assets in the absence of diligent efforts to manage its assets.
 - b. If a department cannot locate an asset, the budget center manager must certify that the department conducted a thorough investigation before approving a change to the inventory list.
 - c. Departments may remove trackable non-capital assets and missing computers older than three years from the inventory with the provost or vice president's approval.
 - d. Trackable non-capital assets and computers less than three years old need a police report and the provost or vice president approval to be removed from the inventory.
 - e. All capital assets, regardless of age, will need a police report and the provost or vice president's approval to be taken off an inventory.
5. After the completion of each annual physical inventory, Property Control will prepare a three-year trend analysis report of missing assets for each cabinet member.
- F. Stolen Assets
- 1. Departments that suspect an asset has been stolen must report it immediately to SLCC Public Safety, Risk Management, and Property Control.

2. The stolen asset report must contain the following:
 - a. the date someone first noticed the asset was missing;
 - b. a thorough description of asset;
 - c. the purchase order number;
 - d. the recorded value;
 - e. where the asset was last seen;
 - f. the accessibility of asset;
 - g. if the asset was college-owned or federal or state property;
 - h. the listed budget center manager; and
 - i. if applicable, the serial number and asset tag number.
3. Property Control can assist in determining this information.
4. The budget center manager must send Property Control the police report number to have the stolen item taken off inventory.

G. Surplusing, Disposing, or Cannibalizing Property

1. Departments surplusing, disposing of, selling, trading-in or cannibalizing college assets must follow college surplus property rules and procedures and any federal, state, or other grant requirements.
2. Assets with a federal or state identifier tag must not be disposed of without obtaining consent from Sponsored Projects Accounting.
3. A grant accountant will coordinate with the appropriate government or grantor entity for authorization to dispose of the asset following 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.