



Fixed Asset Policy

NAME:	Fixed Asset Policy
ISSUING DEPARTMENT:	VP Finance & Administration
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APPROVING AUTHORITY:	President
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PURPOSE

Mansfield University recognizes its responsibility for establishing and maintaining effective internal controls over University owned assets. This policy outlines procedures and other guidelines to ensure the safeguarding of University fixed assets.

SCOPE

This policy applies to *all* university-owned fixed assets such as vehicles, equipment, furnishings, and computer software.

Forms

Fixed Asset Form -This on-line form is to be used for new fixed assets, missing fixed assets, and *ANY* movement of fixed assets (i.e. surplus, scrap, and transfer). The form link is found at on the Forms page of the University website under the Controller's Office heading (a login will be required in order to complete).

Definitions

Quick Response Code (QR Code) -A permanent label that displays scannable coding as well as a readable number. This code is used to track fixed assets. This code will provide additional information about the asset such as Asset Number, PO Number, Purchase Date and Responsible Cost Center. This data is also included in the SAP master asset record.

Fixed Assets - In accordance with PASSHE Financial Accounting Standard (FAS) 2002-01 in the PASSHE Accounting Manual, fixed assets are defined as assets with a cost of at least \$5,000 and an estimated useful life of two or more years. Fixed assets include equipment, furnishings, vehicles, computer software (non-cloud based), as well as buildings and improvements. FAS 2002-01 contains guidance to the specific costs that must be included in the asset value when applicable, including freight, installation, site preparation, and if university employees, such as engineers, carpenters, and electricians, contribute to the completion of a capital project, the associated salaries, wages, benefits, and other costs should be included in the capitalized value.

Capital Lease - Capital Leases are financing arrangements to acquire assets with a value of at least \$5,000, paid in installments over a set period. The assets are recorded by the university according to generally accepted accounting principles (GAAP). The factors determining this include length of contract and percentage of total value paid over life of asset.

Physical Inventory - Refers to verification of the existence and location of departmental fixed assets via physical inspection. These inspections are performed on a rotation of departments in order to complete a full campus inventory every two years.

Non-Tagged Asset - Refers to fixed assets that are given an SAP asset number, but cannot accept a physical tag, such as carpet, building/land improvements or computer software.

Scrap – Refers to fixed assets that are destroyed or broken beyond repair. It also refers to fixed assets that are technically obsolete.

Surplus - Refers to fixed assets for which the original department has no further use. These may be sent to surplus storage or assigned for use by another department.

POLICY

Purchasing of Fixed Assets and Equipment

Purchasing of fixed assets and equipment should be done in accordance with University and PASSHE purchasing policies.

Personal Use of University Assets

University fixed assets **may not** be used for personal purposes.

Assigning Inventory Numbers

Fixed assets are assigned a QR code tag, except for non-tagged assets. These assets are tracked via the QR code until disposed. The QR code is tracked as the inventory number within SAP. These asset tags are assigned as part of the purchasing process and are physically placed on the fixed assets after receipt of the asset.

Campus Technologies is responsible for the tracking of all personal computers and laptops, tablets, etc., both purchased and leased, and will assign inventory control numbers to such. These low value/high risk (LVHR) assets have their own policy guidelines (see Assets-Low Value & Low Value High Risk Asset Guidelines).

Mobility, Surplusing, and Disposition of Assets

Moving Fixed Assets

A departmental representative must utilize the fixed asset form to request **all** planned moves of items including transfers to other departments as well as within a department. Facilities will not move a tagged fixed asset without the completion of the fixed asset form.

Surplusing Assets

When a department no longer needs a fixed asset, a departmental representative must complete the fixed asset form for the surplus transaction. Completion of this surplus transaction is required prior to having the fixed asset moved and will also inform and provide backup documentation to all appropriate offices (i.e. Controller's Office, Facilities, Department) of the surplus item. Surplus inventory items are then available for campus reallocation or liquidation. The Controller's Office will also change the fixed asset location to Surplus when the asset is moved.

Liquidation of Surplus Assets

Surplus fixed assets are stored in a warehouse location *if available* and will be retained for at least 90 days. Should no warehouse space be available, the items must remain in a departmental location until space is available. An inventory of these items will be maintained in the SAP asset module. Because of limited warehouse space, surplus fixed assets stored in excess of 90 days will be liquidated utilizing the following options:

- Surplus fixed assets may be offered to other PASSHE universities free of charge or a value may be placed on the items.
- Bids for the sale of assets to outside organizations or individuals may be solicited and awarded by Purchasing. Departments may assist in the procurement of bids at the request of Purchasing. *Please note that the State Adverse Interest Law precludes any university employee from purchasing or receiving state property.*
- Items may be included in an advertised auction (physical or online) or tag sale as organized by Purchasing and Facilities.
- Donation of items to not-for-profit agencies may be investigated. A file of donee requests is maintained by the Controller's Office.
- Should none of the above measures be successful, the assets will be disposed. Scrapped fixed assets should be securely stored in the facilities area until the contracted waste hauler removes them. The Controller's Office must be notified when a fixed asset is sold, scrapped or disposed of.

Assets Taken Off-Campus and Reporting of Stolen Assets

Assets Taken Off-Campus

Whenever a fixed asset is taken off and remains off-campus for more than one day, the head of the department must have a sign-out/sign-in form and acknowledge their approval on the form.

Reporting of Stolen Assets

Stolen fixed assets should be immediately reported to the department of Police Services and Safety via telephone. **Completion of the Fixed Asset Form for stolen items must be completed.** If the *replacement value* of the stolen item is \$5,000 or greater, the

Environmental Health & Safety Office submits an insurance claim with the Bureau of Risk and Insurance Management.

Fixed Asset Physical Inventory

Department heads will be responsible for fixed assets purchased for their department's use. Department heads will be requested to conduct a complete physical inventory a minimum of every 2 years of fixed assets in their department during the last quarter of the fiscal year. Department heads can delegate the duties of conducting an inventory but ultimately must maintain responsibility.

Process

- The Controller's Office will use the Z_Asset_Inventory report in SAP and download into Excel. Then, based upon responsible cost center, will forward the appropriate fixed asset/inventory listing to all department heads by February 1st for their initial physical inventory. (Department heads must sign off on the listing for accuracy.)
- An instruction sheet will accompany the report.
- The form with corrections must be returned to the Controller's Office by March 31st.
- The Controller's Office will update the SAP asset system in accordance with the returned inventory sheet.
- Each year, several fixed assets will be selected randomly from the returned inventory sheet for Controller's Office inspection.

Timeline

- February 1st departments will be provided a listing of fixed assets as reflected on the SAP master asset record.
- March 31st all department heads must complete their review of their department fixed asset listing noting any changes, sign, and return to the Controller's Office.
- April 1st each year, the Controller's Office will select one-half of the total fixed asset items to conduct a physical inventory. Any department not returning their completed fixed asset listing will automatically be selected for a physical inventory inspection.
- Beginning in April, the Controller's Office will conduct a complete physical inventory and retag all fixed assets, as necessary.
- By continuance of this pattern, inventory will be conducted every year by at least half of the departments and will create a 2-year rotating cycle. Department heads must sign off on the completed fixed asset inventory listing.

DISTRIBUTION

This policy will be posted to the Policies and Procedures web page.