2.1.050

Fixed and Trackable Non-Captial Assets Policy

Date of last board of trustees review: November 8, 2023

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

1. Policy

Salt Lake Community College maintains 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 Utah Board of Higher Education policy.

2. 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.

2.1.050

Fixed and Trackable Non-Captial Assets Procedure

Date of last executive cabinet review: October 24, 2023

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

3. 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 the title.

H. **Custodian:** the person, generally the BCM, within a department responsible for physically controlling assigned assets.

I. **Federal and State Property:** property held and used by the college but owned by the federal or state government.

J. **Fixed Assets System (FAS):** the college's system, maintained by the Property Control office, for tracking and recording capitalized equipment, vehicles, and trackable non-capital assets.

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 the 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 FAS and accounting for capital and trackable assets.

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 the current small dollar purchase threshold and $4,999.99 with an estimated useful life greater than one year. All non-capital computer assets are trackable non-capital assets, regardless of amount.

4. Procedures

A. All college departments, with the support of the Property Control Office (Property Control), must account, maintain, and track a record of all capital and trackable non-capital assets (assets) in the Fixed Asset System (FAS), including 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. Departments must verify they enter the correct account code on the purchase requisition to purchase the asset. Property Control will assign an asset tag number when a purchase order is created.

   2. When the college receives the asset, Property Control generally attaches the pre-numbered asset tag and obtains the necessary information for recording the asset in the FAS.

      a. Property Control may ask departments to attach the pre-numbered asset tag to the asset. Property Control will send the department the asset tag and an asset control sheet in these cases.

      b. The department must affix the tag to the asset promptly after receiving the asset. The department must complete and return the control sheet to Property Control within 10 working days.

   3. The Office of Information Technology (OIT) must tag computers before delivering the computers to departments. OIT must deliver computer asset control sheets to Property Control within 10 days of asset receipt.

   4. When departments purchase assets with federal or state grant funds, departments must follow these college procedures and all applicable federal or state requirements. These assets must have a unique tag noting they are federal or state property.

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

D. Depreciation Expense

   1. Fixed Asset System automatically calculates annual depreciation expense over the life of tracked equipment and vehicles

   2. The Controller's Office must calculate depreciation over the life of other capital assets tracked outside of the FAS, such as buildings, land, library collections, etc.

E. Departmental Responsibilities

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

   2. New Custodians

a. Departments must notify Property Control of any custody or location change of assets within 10 working days by submitting:

(1) the Ownership Transfer Form for property transferred to another owner; or

(2) the Surplus Property Form for property deemed surplus and picked up by the Surplus department.

b. The current custodian must complete and submit the appropriate above form that contains the signature of the person receiving the asset before relinquishing control of any assets

c. Property Control will remove the asset from that department's inventory report after receiving the form.

3. Conducting Physical Inventories

a. Departments must conduct an annual physical inventory of their assets.

b. Property Control sends each department a physical inventory report that includes all the assets the department is responsible for, inventory instructions, and the inventory deadline.

(1) Departments must physically account for all assets on the physical inventory report following Property Control instructions.

(2) Although department Budget Center Managers (BCMs) may delegate physical checks to actual users, the BCMs must approve the completed inventory and return the report and signature page to Property Control by the deadline unless Property Control grants an extension.

(3) Verified changes to the physical inventory report are to be addressed as follows:

(a) Departments must document any custodian change on the physical inventory report and include a copy of the completed Ownership Transfer Form or Surplus Property Form.

(i) 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 FAS.

(b) Departments must document any asset's location or status change on the physical inventory report.

(c) Property Control will enter verified changes into the FAS.

        (4) Departments must note any asset missing an asset tag on the inventory report. Property Control will send the department a replacement tag.

        (5) Departments must update incorrect or missing information on the report so Property Control can update the FAS.

    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 BCM.

    d. Property Control may independently verify a department's physical inventory reporting accuracy through routine sampling and testing.

    e. Property Control may arrange for a complete physical inventory of any department at its discretion.

4. Missing Assets

    a. The college holds departments accountable for missing assets without diligent efforts to manage their assets.

    b. If a department cannot locate an asset, the BCM must certify 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 from the inventory with the provost or vice president's approval.

    d. Departments must file a police report and obtain the provost or vice president's approval to remove any capital assets, regardless of age, from the inventory.

5. Property Control prepares a three-year trend analysis report of missing assets for each cabinet member after departments complete each annual physical inventory.

F. Stolen Assets

1. Departments that suspect an asset has been stolen must immediately report it to the Public Safety Office, 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 the 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 BCM; and

    i. if applicable, the serial number and asset tag number.

3. Property Control may assist in determining this information.

4. The BCM must send Property Control the police report number to remove the stolen item from the 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. Departments must not dispose of assets with a federal or state identifier tag of without obtaining Sponsored Projects Accountings' consent.

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.