



POLICY:	FIXED ASSETS, PROPERTY AND EQUIPMENT
EFFECTIVE DATE:	APRIL 12, 2002
APPROVAL DATE:	AUGUST 15, 2016

PURPOSE

To define fixed assets, property and equipment, and determine the useful life, allocate depreciation costs and ensure adequate administration of property inventory and management.

POLICY AND PROCEDURES

- A) Fixed assets are defined as/refered to as Capital Equipment or property and equipment or asset, that meet the following criteria:
 - 1) A normal useful life of five years or more;
 - 2) Moveable property which is nonexpendable and does not change with use;
 - 3) A purchase price of \$5,000 or greater.

- B) Portable property which does not meet the minimum cost criteria may be included as capital equipment for accountability purposes.

- C) ASI fixed assets are funded from retained earnings or continuing appropriations.

- D) Upon purchase and/or acquisition of fixed assets, the ASI Manager of Operations ensures that:
 - 1) Items are tagged with a preprinted and numbered ASI property label. All tags should be adhered to the property within easy viewing and access.
 - 2) This information is forwarded to the ASI Accountant in the University Finance and Administrative Services department.
 - 3) The ASI Accountant records the cost and useful life into the PeopleSoft accounting system.

- E) The cost of the asset is recovered from operations through depreciation expense.
 - 1) ASI utilizes the straight line depreciation method, which calculates depreciation expense by spreading the cost of the fixed asset evenly over the life of that asset. This process is performed by the ASI Accountant in the University Finance and Business Services department.
 - 2) The factors considered in depreciating the cost of fixed assets and determining estimated useful life are wear and tear, deterioration, and damage and/or destruction. This process is performed by the ASI Accountant in the University Finance and Business Services department.

- F) Annually the ASI Financial Coordinator and the ASI Accountant conduct an independent physical count of inventory.
- 1) The physical count consists of a walk-through of each area of Associated Students, Inc. to verify the physical inventory against the ASI Fixed Asset Schedule.
 - 2) The Fixed Asset Schedule must be reviewed and approved by the ASI Executive Director or the Manager of Operations, and the University Manager of Auxiliary Financial Operations..
 - 3) Any discrepancies must be corrected and/or evaluated for further investigation and reviewed by the ASI Executive Director and the University Manager of Auxiliary Financial Operations.
- G) Fixed assets are used for ASI business-related purposes only and remain the property of ASI as determined by the useful life and functionality guidelines noted in Section D above.
- H) Sale, Disposition, Transfer and/or Stolen Property: An asset is considered inadequate and/or obsolete when it no longer serves the purpose for which is was originally intended.
- 1) The sale, disposal or transfer of any fixed asset to a non ASI entity requires written authorization of the ASI Executive Director.
 - a) In such instances the ASI Property Disposal Form is utilized. (Please refer to Attachment A.)
 - b) The bar coded property tag must be affixed to the ASI Property Disposal Form.
 - c) These materials must be submitted to the Manager of Operations for final approval.
 - d) All sales, transfers or disposals of property are reported with proper documentation by the Manager of Operations to the ASI Accountant in the University Business & Financial Services department at the time of disposal.
 - 2) Students or student organizations should be the recipients of disposed fixed assets whenever feasible.
 - 3) If a fixed asset is damaged, the ASI Executive Director and the Manager of Operations determine whether to repair or replace the item.
 - 4) If a fixed asset is stolen, the Executive Director initiates an investigation with the University Police Department. The University ASI Accountant will be informed of the outcome of the investigation. If the item is not found, it will be written off by approval of the ASI Executive Director.
 - 5) Any loss or proceeds from the trade, sale, or disposal of a fixed asset will be assigned to the account from which the asset was originally purchased.
 - 6) The ASI Accountant records property and equipment disposals to the fixed asset records at the time of receipt of the ASI Property Disposal Form and supporting documentation.
- I) Fixed Asset Reconciliation:
- 1) The fixed asset schedule is reconciled quarterly to the general ledger by the ASI Accountant
 - 2) The University Manager of Auxiliary Financial Operations approves the quarterly reconciliation.