

## **3150.01 | Administration of University Property**

**Effective Date:** 7/25/2014 | **Revised Date:** 7/25/2014

### **POLICY OBJECTIVE**

It is the policy of the California State University (CSU) that university property is properly valued, maintained and safeguarded; that all university property transactions (acquisitions, disposals, etc.) are recorded in an accurate and timely manner; and that all university property procedures are followed. Each campus must prepare written procedures that implement this policy.

### **POLICY STATEMENT**

#### **100 Property Definition**

For the purpose of this policy and these procedures (see Section 300), property may include but is not limited to the following:

- Equipment
- Intangible assets
- Land and land improvements
- Works of art and historical treasures
- Library books and materials
- Construction work in progress (CWIP)
- Buildings and building improvements
- Improvements, other than buildings
- Infrastructure
- Leasehold improvements

#### **200 Responsibility of the Chief Financial Officer (CFO)**

The Chief Financial Officer (CFO) of each campus of the CSU must ensure the following:

- Appropriate resources are allocated and responsibility assigned for proper receiving, tagging, recording, securing, maintaining, tracking, inventorying, and disposal of property.
- Procedures are implemented for the timely recording of all property based on normal entry cycles. For example, equipment additions may be required to be recorded each month due to the high volume of transactions, whereas major capital improvements may be recorded annually.
- Procedures are implemented for conducting physical inventory.
- Procedures are implemented for the timely disposal of all property.
- Procedures are implemented that require appropriate approval for the disposal of property and that all rules and regulations are followed in the disposal of property (e.g., hazardous materials, sanitization, etc.).
- All regulations for property obtained from a federal or state grant are adhered to in accordance with the respective requirements such as Office of Management and Budget (OMB) Circular A-110 or its successor policy and related state regulations.
- Campuses utilize the CSU Capital Assets Guide as guidance for all property as it relates to capitalized costs, depreciation methods, impairment, and other such issues.

#### **300 Equipment**

Refer to "[CSU Administration of University Property - Equipment Procedures](#)" for definitions and procedures.

## **400 Intangible Assets**

### **401 Definition of Intangible Assets**

Intangible assets are property which lack physical substance and are nonfinancial in nature but give valuable rights to the owner. They are primarily used for operation rather than for intent to sell. They are not directly used for obtaining income or profit. Intangible assets include but are not limited to:

- Copyrights
- Easements
- Patents
- Software (internally and externally-developed)
- Trademarks
- Websites

### **402 Recording of Intangible Assets**

Campuses must evaluate and record all intangible assets in accordance with applicable Governmental Accounting Standards Board (GASB) statement requirements to ensure compliance with GAAP.

### **403 Sale or Licensing of Intangible Assets**

The sale or licensing of intellectual property must be done in accordance with pertinent CSU policies.

## **500 Gifts of Property**

### **501 Responsibility for the Acceptance of Gifts**

The CFO of each campus of the CSU is responsible for ensuring that a documented process is followed for the evaluation, acceptance, and recording of gifts of property to their respective campus in accordance with Executive Order No. 676 or its successor policy.

### **502 Title**

Title to the property gift to be held by the campus or an auxiliary organization must be reported according to the rules promulgated by the GASB or by the Financial Accounting Standards Board (FASB) depending on which standards are used by the entity.

### **503 Recording Gifts**

Generally, FASB and GASB accounting rules require gifts of property to be recorded at fair market value. As such, campuses are required to record such gifts in their property records (or those of the auxiliary organization) using objective criteria.

When property gifts are made between the campus and one of its auxiliaries or vice versa, the transaction must be recorded at historical cost per the CSU Capital Assets Guide.

## **600 Capital (Fixed) Assets Reporting to the State Controller's Office (SCO)**

### **601 Legal Basis Fixed Asset Accounting**

All campus legal basis fixed asset accounting entries will be recorded in and reported from State Controller Office (SCO) fund 0997, CSU fund 501 – General Fixed Assets Memo Fund. Campuses are not required to record by separate funding type.

### **602 External Reporting**

Any external reporting that requires an alternative display of the capital assets information will be handled by the Chancellor's Office Systemwide Reporting group. Supporting schedules will be retained on file per the CSU Records Retention policy to support reconciliation back to the campus' book of records.