



University of Cincinnati Asset Management Policies & Procedures Manual

Last Revised: September 2009



Index

Section A – Asset Accounting

- I – Introduction / Overview
- II – Asset Tracking (Required vs. Optional)
- III – Roles and Responsibilities
- IV – Depreciation
- V – Capital vs. Non-Capital Moveable Assets
- VI – Asset Classes / Useful Lives
- VII – University of Cincinnati Asset Management System (UCAMS)
- VIII – Asset Acquisition
- IX – Asset Disposition
- X – Assets Requiring Special Handling
- XI – Federally Funded or Federally Owned Equipment Standards
- XII – Asset Accounting Forms
- XIII – Asset Inventory Tags
- XIV – Sponsored Research Services
- XV – Frequently Asked Questions (Asset Accounting)

Section B – Asset Auditing

- I – Asset Inventory Audits
- II – Asset Tracking and Audit Grid 01-01-2009
- III – Frequently Asked Questions (Asset Auditing)

Section C – Surplus Equipment

- I – Surplus Equipment
- II – Frequently Asked Questions (Surplus Equipment)

Section D – Central Storage

Section E – Reference Materials

Section F – Glossary

SECTION A – ASSET ACCOUNTING

A-I Introduction

Purpose

The purpose of this manual is to ensure that those responsible for acquiring, recording, inventorying, maintaining, and disposing of assets (both capital and non-capital) understand and adhere to the rules, regulations and procedures governing such assets.

Scope

This manual applies to all assets recorded in the UC Asset Management System (UCAMS) within UC Flex, personal property (tangible and intangible), real property, as well as non-capital assets that the Organizational Unit opted to track or a contracting agency requires tracking in the UC Asset Management System.

The UC Asset Management System (UCAMS) is the official university record for capital asset inventories, including value and accumulated depreciation for capitalized assets. Accuracy of the information within this system depends on Organizational Units completing the appropriate asset forms and making on-line entries to add, delete or modify asset records.

Background

To comply with state and federal regulations and industry accounting standards the University of Cincinnati must maintain accurate assets records. Capital Assets Policy 2.1.13 addresses capital asset ownership, stewardship and reporting responsibilities.

Stewardship Responsibility

Organizational units are responsible for stewardship responsibility of all university assets under their control, not just the assets tracked in the UC Asset Management System. This responsibility includes, but is not limited to:

- Basic safeguarding and physical security;
- Complying with university, state, and federal record-keeping;
- Maintaining assets in good working condition;
- Using assets safely and properly; and,
- Ensuring that appropriate insurance coverage is in place when required for sponsored project agreement.

Areas Covered

This manual covers the following areas:

- Asset Accounting
- Asset Auditing
- Surplus Equipment
- Central Storage
- Reference Materials
- Glossary

A-II ASSET TRACKING (REQUIRED VS. OPTIONAL)

Assets “required” to be tracked in the UC Asset Management System:

All **personal property** (*consists of tangible personal property, such as furniture, fixtures, equipment and machinery, vehicles, individual works of art and historical treasures, and intangible personal property like software*) with a unit cost or market value of \$5,000 or more and having a probable useful life of at least two years must be tracked in the UC Asset Management System. Some granting agencies may require assets be tracked in the UC Asset Management System for assets less than \$5,000 or assets not titled to UC but used in association with a specific grant or contract. Consult specific granting agency guidelines or check with your grant administrator.

All **real property** (*consists of land, land improvements, buildings, assets under construction, infrastructure, and building equipment such as lab fixtures*) with a unit cost or market value of \$100,000 or more must be tracked in the UC Asset Management System.

Assets with the “option” to be tracked in the UC Asset Management System:

Tracking assets with a unit cost of less than \$5,000 (**unless specifically required by contractual obligations of sponsored programs**) are not required to be tracked on the UC Asset Management System. Although not required, an organizational unit may opt to track their non-capital assets in the UC Asset Management System in lieu of manually tracking these assets on their own.

A-III Roles and Responsibilities

Asset Management

- Must maintain the UC Asset Management System within UC Flex, reviewing for accurate postings of capital asset transactions.
- Must provide organizational units with inventory tags to affix to assets.
- Must review and approve Asset Acquisition and Asset Disposition forms.
- Must process required asset accounting entries.
- Must prepare annual financial statement data for capital assets.
- Must schedule and perform physical audits of capital assets at least every two years, as well as periodically perform unscheduled audits.
- Must re-audit any assets failing the audit after the 30 day correction period allotted the organizational unit.

Surplus Equipment Department

- Must approve / coordinate the final disposition of all surplus assets.

Capital Finance

- Must capitalize construction and renovation projects, posting to the UC Asset Management System.

Organizational Unit (Responsibilities must be assigned by Unit Head)

- Must assign at least one employee as the Asset Inventory Tracker with the responsibility of recording and maintaining accurate asset records in the UC Asset Management System.
To obtain the role of Asset Inventory Tracker, the selected employee(s) must complete the Asset Inventory Tracker training class provided by UCFlex (See Related Links)
- Must exercise stewardship responsibilities over all assets.
- Must create asset master records within the UC Asset Management System for all capital moveable assets. (Creating asset master records for non-capital moveable assets is optional unless required by the granting agency.)
- Must apply inventory tags to assets immediately upon receipt.
- Must adjust asset master records within the UC Asset Management System when required (i.e. changes to the responsible cost center; changes

- to the asset location, adding serial number, etc).
- Must notify Asset Management of any asset ownership (title) changes needed. If ownership change involves research equipment **acquired on a sponsored project**, contact Sponsored Research Services for approval prior to contacting Asset Management.
 - Must complete the on-line Acquisition Form for all capital moveable assets acquired outside the “Purchasing Requisition” or “P-Card” process (i.e. donated to UC, transferred into UC, etc.).
 - Must obtain written approval from Asset Management prior to disposing of an asset.
 - Must dispose of assets according to the UC Asset Disposition Policy.
 - Must regularly conduct a physical inventory, verify the existence, condition and location of all assets subject to audit, and reconcile to the UC Asset Management System.
 - Must make all audit finding corrections within 30 days of notification from Asset Management.
 - Final responsibility for assets subject to audit rests with the head of the organizational unit.

A-IV Depreciation

Personal Property (Tangible and Intangible)

The University of Cincinnati uses the straight-line method of depreciation. UC Flex automatically calculates depreciation by referring to the “Depreciation Key” and “Useful Life” contained in the Asset Master Record. If the asset is subject to depreciation, the calculation of depreciation starts the first day of the month following the date the invoice was posted. The Asset Master Record includes depreciation values for both Depreciation Area 01 (Modified Accrual), and Depreciation Area 10 (Full Accrual). At any point in time the user can log into the Asset Master Record to view “Planned” and/or “Posted” depreciation for the current fiscal year. There is also a “Comparisons” tab within the Asset Master Record that includes an amortization schedule for the life of the asset.

Real Property

The University of Cincinnati uses the straight-line method of depreciation. UC Flex automatically calculates depreciation by referring to the “Depreciation Key” and “Useful Life” contained in the Asset Master Record. If the asset is subject to depreciation, the system calculates and posts ½ year of depreciation in the fiscal year the asset was acquired or settled from “Asset Under Construction” (AUC) and then continues with the normal straight-line calculation until the end of the useful life. The Asset Master Record includes depreciation values for both Depreciation Area 01 (Modified Accrual), and Depreciation Area 10 (Full Accrual).

(See section [A-VI](#) for a complete listing of [Asset Classes / Useful Lives](#))

A-V Capital vs. Non-Capital Moveable Assets

Capital Moveable Assets

Capital Moveable Assets are all personal property with a unit cost or market value of \$5,000 or more and having a probable useful life of at least two years. This does not include Capital fixed equipment which is permanently attached or built into a building or part of the general infrastructure.

In general, the acquisition cost of a capital moveable asset is the accumulation of all costs required to place the asset in service. This should include, but not necessarily be limited to, the net invoice price of the asset, the cost of required attachments, in transit insurance, freight, and installation. Good judgment and consistent treatment should rule with regard to what costs should be included.

Special consideration must be given regarding the acquisition cost of computers. In addition to costs noted above, the cost of software should also be included, if acquired as part of the original system package (preloaded), and is essential for the system to perform its intended purpose. Operating and special purpose software both comply with this criteria.

All capital moveable assets meeting the above criteria must be identified and reported in the UC Asset Management System for addition to the Capitalized Asset Inventory.

Some granting agencies may require capital assets be tracked in the UC Asset Management System even though these assets were not purchased on the grant or contract but used in association with a specific grant or contract. Consult specific granting agency guidelines or check with your grant administrator.

Non-Capital Moveable Assets

Non-Capital Moveable Assets are those assets with a unit cost or market value of less than \$5,000 but which the Organizational Unit deems appropriate to track in the UC Asset Management System.

Some granting agencies may require non-capital assets be tracked in the UC Asset Management System even though these assets were not purchased on the grant or contract but used in association with a specific grant or contract. Consult specific granting agency guidelines or check with your grant administrator.

A-VI Asset Classes / Useful Lives

The following are the Asset Classes and Useful Live (major classes and sub-classes) of Assets tracked in the UC Asset Management System:

In order to ensure the correct depreciation calculation is applied to the capital asset it is important to select the proper Asset Class when creating the Asset Master Shell. Each Asset Class has its own "Useful Life". Depreciation is addressed in section [A-IV](#).

Personal Property: (Capital)

Asset Class / Description	Useful Life in Years
• 49001 Cap – Computers/Printers/Monitors	5
• 49002 Cap – Audio-Visual/Multimedia Equipment	7
• 49003 Cap – Musical Instruments	15
• 49104 Cap – Copy Equipment (office copiers)	5
• 49105 Cap – Office Equipment (other than copiers)	10
• 49106 Cap – Medical/Lab/Scientific	7
• 49107 Cap – Automobiles/Motorcycles	5
• 49108 Cap – Trucks/Vans/Buses/Other Licensed	8
• 49109 Cap – Mobile Grounds/Maintenance	10
• 49110 Cap – Boats/Marine	10
• 49111 Cap – Athletic/Recreation	10
• 49112 Cap – Telecom Equipment	8
• 49113 Cap – Radio Equipment	10
• 49114 Cap – Security Equipment	10
• 49115 Cap – Printing Equipment	10
• 49116 Cap – Tools/Shop/Custodial	12
• 49117 Cap – Food Service/Household Appliances	10
• 49118 Cap – Money Handling Equipment	10
• 49119 Cap – Sewing Equipment	7
• 49300 Cap – Computer Software	5
• 49600 Cap – Furniture	20

Non-UC Titled Assets: (Capital / Non-Capital)

Asset Class / Description	Useful Life in Years
• 49700 Non-UC Titled Assets (capital)	---
• 39700 Non-UC Titled Assets (non-capital)	---

Real Property: (Capital)

Asset Class / Description	Useful Life in Years
• 41000 Land	---
• 42000 Land Improvement	20
• 43000 Buildings	<i>See Bldg Sub Classes</i>
• 44100 AuC Construction	---
• 44200 AuC Departmental Construction	---
• 45001 Infrastructure – Roads/Driveways	20
• 45002 Infrastructure – Sewers/Tunnels	20
• 45003 Infrastructure - Network	15
• 46000 Building Equipment – Lab Fixtures	15
• Building Sub-Classes:	
9100 Site Preparation	30
9105 Building Structure	50
9120 Floor Cover	12
9135 Roof Cover	20
9140 Elevators	30
9145 Life Safety	20
9150 Electrical & Lighting	20
9155 Plumbing	25
9160 HVAC	20
9165 Exterior Walls & Construction	30
9170 Interior Walls & Finishing	25
9180 Free Standing Structures (i.e. Pole Barns, etc.)	20

“Non-Capital” Moveable Assets are included in one of the following Asset Classes:

Asset Class / Description
• 39001 Non Cap – Computers/Printers/Monitors
• 39002 Non Cap – Audio-Visual/Multimedia Equipment
• 39003 Non Cap – Musical Instruments
• 39104 Non Cap – Copy Equipment (office copiers)
• 39105 Non Cap – Office Equipment (other than copiers)
• 39106 Non Cap – Medical/Lab/Scientific
• 39107 Non Cap – Automobiles/Motorcycles
• 39108 Non Cap – Trucks/Vans/Buses/Other Licensed
• 39109 Non Cap – Mobile Grounds/Maintenance
• 39110 Non Cap – Boats/Marine
• 39111 Non Cap – Athletic/Recreation
• 39112 Non Cap – Telecom Equipment
• 39113 Non Cap – Radio Equipment

• 39114 Non Cap – Security Equipment
• 39115 Non Cap – Printing Equipment
• 39116 Non Cap – Tools/Shop/Custodial
• 39117 Non Cap – Food Service/Household Appliances
• 39118 Non Cap – Money Handling Equipment
• 39119 Non Cap – Sewing Equipment
• 39300 Non Cap – Computer Software

A-VII University of Cincinnati Asset Management System (UCAMS)

See Asset Inventory Tracking Work Instructions at:

<http://www.ucflex.uc.edu/help/nav/asset%20accounting/course/inventory%20tracking/index.htm>

Create the Asset Master Record (AS01)

- Create an asset master record shell.

Changes to the Asset Master Record (AS02)

- The asset master record must be updated by the Organizational Unit via UC Flex transaction AS02 for the following:
 - Change of asset Location (building and/or room)
 - Recording the asset Serial Number (if applicable)
 - Recording the asset Manufacturer (if applicable)
 - Change of the Responsible Cost Center
 - Recording additional asset Description – Line 2 (if applicable)
 - Recording additional Text (if applicable)The Organizational Unit must notify Asset Management of any asset ownership (title) changes needed. *If ownership change involves **assets on a sponsored project** contact the Office of Sponsored Research Services for approval prior to contacting Asset Management.*

Create a new Sub Number for the Asset Master Record (AS11)

- Create sub-numbers to identify multiple funding sources for a single asset.

Display Asset Master Record (AS03)

- Displays the asset master record.

Running the Asset Explorer (AW01N)

- Displays the master and financial transaction data for a specific asset.

Asset Reports (*Most frequently used*)

R/3

- Asset Balances (S_ALR_87011963)
- Directory of Unposted Assets (S_ALR_87012056)

BW

- AA310 Asset Detail Report (UC Titled Assets)
- AA340 Asset Detail Report (Non-UC Titled Assets)
- AA150 Search by Tag Number
- AA250 Search by Serial Number

A-VIII Asset Acquisition

The Organizational Unit must submit to Asset Management, the appropriate asset “Acquisition” form when the following asset status is established or changed:

- **Purchased (via Purchase Order or P-Card)**
Note: The Acquisition form is not required if the Organizational Unit entered the associated asset number in the Purchase Requisition or P-Card Expense Allocation document. Values will automatically be added to the Asset Master Record.
- **Constructed (Departmental)**
- **Gifted/Donated (Into UC)**
- **Transferred In (From Outside UC)**
- **Purchased (via A114 Request for Payment)**

Recording the Asset Values via the Purchase Order or P-Card Acquisitions

Purchased Assets (via Purchase Order or P-Card)

- Prior to creating a Purchase Requisition or entering the P-Card allocation for the purchase of an asset (one that requires or is deemed appropriate for tracking in the UC Asset Management System), the Organizational Unit must create the Asset Master Shell via UC Flex transaction AS01.
- *Note: The Acquisition form is not required if the Organizational Unit entered the associated asset number in the Purchase Requisition or P-Card Expense Allocation document. Values will automatically be added to the Asset Master Record.*
- After creating the Asset Master Shell, the UC Asset Management System assigns the asset number / sub-number. Enter the asset number / sub-number in the designated area on the Purchase Requisition or P-Card Expense Allocation document.
- After the invoice is paid (posted) or the P-Card Allocation is posted, the Asset Master Record will reflect the asset value and then Asset Management will create the inventory tag and send it to the Organizational Unit.
- The inventory tag should be placed on a flat, easily visible surface, unless it is attached to a removable component to which the inventory auditor would have access. If it is not possible to tag an item due to its size, number of components, or delicate nature, then contact Asset Management for further instructions. The Organizational Unit must maintain a specific file for all such untagged assets – listing the tag number, description, serial number, and location of the asset.

Recording the Asset Values via Other Methods of Acquisitions (other than PO or P-Card)

The Organizational Unit must submit to Asset Management, the appropriate asset “Acquisition” form when the following asset status is established or changed:

Constructed (Departmental) Assets – These are fabricated assets constructed over a defined development period. Because these assets are not depreciated until capitalized, such assets are generally assumed unusable until fabrication period is complete. If any phase of a multi-phase project will result in an independent, functional unit once that phase is completed, the entire project must be treated as individual fabrications and each phase will be capitalized as completed.

- The Organizational Unit establishes the asset master shell using asset class 44200 (AuC – Departmental) and posts costs to this asset until the asset is completed and placed in service. While fabricating the asset, it is recognized that each individual component purchased could be less than \$5,000, but at completion the total cost would be \$5,000 or greater with a useful life of at least two years.
- Following the creation of the asset master shell, the Organizational Unit submits the Asset Acquisition form to Asset Management with the following information:
 - Asset Number
 - Estimated Cost of Completed Asset
 - Estimated Start Date
 - Estimated End Date
- Once the asset is placed in service, the Organizational Unit must contact Asset Management for assistance in setting up a new asset master shell in order for Asset Management to settle the cost from AuC to the real asset class. (i.e. 49106 Cap - Medical/Lab/Scientific, etc.)
- Capitalized cost and associated depreciation does not get posted to the university's financial records until the settlement is made from AuC to the real asset, therefore it is important to notify Asset Management as soon as the asset is placed in service.

Gifted/Donated Assets - An asset donated to the University of Cincinnati is treated the same as an asset owned by the State of Ohio. “Donation” is defined as an asset bestowed to the State of Ohio without compensation, where the donor relinquishes all rights to the gifted asset to the state.

- Upon acceptance and receipt of the asset, the Organizational Unit shall acquire a transmittal letter to accompany the donated asset, completed by the donor. (A copy of this letter must be forwarded to Asset Management.)

The transmittal letter shall include:

- Name of Donor (organization or individual gifting the asset to UC),
 - Mailing Address,
 - Phone Number;
 - Description of the Asset;
 - Date UC acquired the donated asset;
 - Name of Recipient (UC);
 - Value of the asset being the fair market value at time of acquisition (donation);
 - Signature of the donor.
- In addition to the above referenced transmittal letter, the Organizational Unit must submit the Asset Acquisition Form “Gifted/Donated” to Asset Management.

Purchased Assets (via A114 Request for Payment) - An asset may be purchased by an employee and then reimbursed by completing the A114 form if approved by the organizational unit. The Organizational Unit must create the asset master shell; complete the Asset Acquisition form “Purchased via A114” and submit this form Asset Management.

Transferred In (From Outside UC) (*including sponsored activity and loans from other agencies*)

Government furnished assets

Sponsored activity may result in the university obtaining use and/or ownership of equipment outside of the procurement process. Equipment may be transferred to UC along with a sponsored agreement. The sponsored agreement will list equipment that is being furnished for the project. The Organizational Unit must complete the Asset Acquisition Form “Transferred In” and submit to Asset Management.

Loaned Assets

An asset loaned to UC should be inventoried and recorded in asset class 39700 – Non-UC Titled Non-Capital Assets or asset class 49700 – Non-UC Titled Capital Assets. Asset Management will assist the Organizational Unit in recording this asset in the Asset Management System so that it does not get added to UC financial records.

“Loaned” is defined as an asset given to UC for temporary use on the condition that it is returned to the lender, based on a time period and/or when a specific condition is or is no longer met, without any compensation.

- Upon acceptance and receipt of the asset, the Organizational Unit shall acquire a transmittal letter to accompany the loaned asset, completed by the lender.
- The transmittal letter shall include:
 - Name of Lender (organization or individual loaning the asset to UC),
 - Mailing Address,
 - Phone Number;
 - Description of the Asset;
 - Value
 - Date UC accepted the loaned asset;
 - Name of Recipient (UC);
 - Statement indicating that the Lender will not hold UC liable for any degeneration of the assets condition, or if the asset is stolen;
 - Contingencies stating the return date of the asset and/or other condition upon which the asset will be returned to Lender;
 - Signature of the Lender, original filed with the Organizational Unit and a copy given to the Lender.

A-IX Asset Disposition

All UC Units must receive prior approval from Asset Management **before** disposing of any asset. Contact Asset Management via e-mail at assets@uc.edu.

Methods of Asset Dispositions:

- **SURPLUS** - Send the asset to the **Surplus Department** for final disposition. (The Surplus Equipment (SE) Request Form along with instructions is available on-line at: www.uc.edu/af/asset/serequest.html.) The Surplus Department will decide on one of the following methods of disposal:
 1. **Recycle:**
 - Made available to UC Units FREE of CHARGE
 - Sent to a Recycling Vendor by the Surplus Dept
 2. **Sell:**
 - Made available at Surplus Public Sales
 - Posted to Surplus Web Site by Surplus Dept
 3. **Dispose:**
 - Send to a Recycling Vendor by the Surplus Dept
 - Discarded by Surplus Dept
- **DIRECT SALE** - Asset remains in the UC Unit until sold
 1. Internal Sale to Another UC Unit
 2. Advertisement Media for General Public
 3. Surplus Website Postings for General Public
- **TRADE IN** - May require asset retirement of old asset record and establishment of new asset master record. Contact Asset Management via e-mail at assets@uc.edu for further direction.
- **TRANSFER OUTSIDE UC** - Requires a formal **Contract** or **Agreement** and the **A-910 “Contract Approval Cover Sheet”** routed to all concerned parties, including General Counsel for signature approval. Asset Management will require proof of General Counsel signature approval before retiring the asset.

Note: DO NOT SIGN A CONTRACT OR AGREEMENT UNLESS AUTHORIZED BY THE BOARD OF TRUSTEES. According to University Rule 10-1-06 “No contract, agreement, promise, bank account, or other undertaking in the name of the University of Cincinnati or purporting to be made for, or on behalf of any college, school, department, division or other part of the University of Cincinnati, shall be made by any of its officers, agents, or employees or by any student, faculty, or alumni organization, enterprise, or association whatever, unless the same shall have been first authorized by the board of trustees of the university or in pursuance of authority conferred by the university rules.” Refer to the following URL for more details: [UC Board of Trustees Bylaws: Execution of Instruments](#)

- **GIFT/DONATE** - Requires a formal **Contract** or **Agreement** and the **A-910 “Contract Approval Cover Sheet”** routed to all concerned parties, including General Counsel for signature approval. Asset Management will require proof of General Counsel signature approval before retiring the asset.

Note: DO NOT SIGN A CONTRACT OR AGREEMENT UNLESS AUTHORIZED BY THE BOARD OF TRUSTEES. According to **University Rule 10-1-06** “ *No contract, agreement, promise, bank account, or other undertaking in the name of the University of Cincinnati or purporting to be made for, or on behalf of any college, school, department, division or other part of the University of Cincinnati, shall be made by any of its officers, agents, or employees or by any student, faculty, or alumni organization, enterprise, or association whatever, unless the same shall have been first authorized by the board of trustees of the university or in pursuance of authority conferred by the university rules.*”

Refer to the following URL for more details: [UC Board of Trustees Bylaws: Execution of Instruments](#)

- **LOST/THEFT** - May need to notify UC Police, Risk Management as well as Asset Management. *Contact Asset Management via e-mail at assets@uc.edu for further direction.*

For additional information regarding the disposition of assets, please refer to the [Asset Disposition Process Reference Sheet \(AM-02\)](#).

A-X Assets Requiring Special Handling

- Sponsored Program (Research) Equipment (*see Sponsored Research Services website: www.srs.uc.edu*)
- Fabricated Equipment (*See Acquisitions - Constructed Departmental Assets*)
- Safeguarding Equipment with Sensitive Information (*See UC Information Security website www.uc.edu/infosec*)
- Handling and Disposing of Hazardous Equipment (*See Environmental Health and Safety website <http://ehs.uc.edu>*)
- Handling and Disposing of Equipment Used in Connection with Radioactive Material (*See Radiation Safety Office [RSOf] website <http://researchcompliance.uc.edu/radsafety/>*)

A-XI Federally Funded or Federally Owned Equipment Standards

1. Equipment records shall be maintained accurately and shall include the following information:

A-133 Information Requirements	Location of Information
1a. Description of the equipment	Asset Record (General Tab - Description)
1b. Manufacturer’s serial number, model number, federal stock number, national stock number, or other identification number	Asset Record (General Tab – Serial Number), (Origin Tab – Manufacturer) and (General Tab – Description [line 2] for Other ID)
1c. Source of the equipment, including the award number	Asset Record (Time Dependent Tab – Fund and Grant)
1d. Whether title vests in the recipient of the Federal Government	Asset Record (Allocations – Investment Reason)
1e. Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost	Asset Record (Asset Values Button – Values and Parameters Tabs)
1f. Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government)	Asset Record (Sub-Number Data)
1g. Location and condition of the equipment and the date the information was reported	Asset Record (Time Dependent Tab – Bldg / Room) Note: “Condition” is not listed on the Asset Record therefore must be maintained by the Organizational Unit responsible for the equipment.
1h. Unit acquisition cost	Asset Record (Asset Values Button – Values Tab)
1i. Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share	Asset Record (General Tab – “Deactivation on”) Note: Information regarding fair market value where a recipient compensates the Federal awarding agency must be maintained by the Organizational Unit responsible for the equipment.

2. Equipment owned by the Federal Government shall be identified to indicate Federal Ownership.

See Asset Record (Allocations Tab – Investment Reason = 30) for ownership (title) coding.

- 3. A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years.**

Asset Management Auditing Procedures mandates a physical inventory of equipment at least once every two years.

- 4. A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of the equipment shall be investigated and fully documented; if the equipment was owned by the Federal Government, the recipient shall promptly notify the Federal awarding agency.**

Responsible Organizational Unit must have this information on file. See Asset Record (Time Dependent Tab - Responsible Cost Center) to determine the responsible organizational unit.

- 5. Adequate maintenance procedures shall be implemented to keep the equipment in good condition.**

Responsible Organizational Unit must have this information on file. See Asset Record (Time Dependent Tab - Responsible Cost Center) to determine the responsible organizational unit.

- 6. Where the recipient is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return.**

Responsible Organizational Unit must contact Surplus Equipment Department for assistance in determining proper sales procedures.

A-XII Asset Accounting Forms

(Section under development)

A-XIII Asset Inventory Tags

As a general rule, all Moveable Assets appearing in the UC Asset Management System will have an assigned Asset Inventory Tag Number (located in the “General Tab” of the Asset Master Record as “Inventory Number”).

Items too sensitive, small or otherwise impractical to tag are not physically tagged but still have the unique number identification. Organizational Units must maintain a file within their unit of all Asset Inventory Tag Numbers assigned to Capital Assets deemed to be impractical to physically tag. This file must include:

- Asset Inventory Tag Number
- Full Description of Capital Asset
- Serial Number (if applicable)
- Manufacturer
- Purchase Order Number (if applicable)
- Location of Asset (Building & Room)

[Asset Inventory Tag Flyer \(AM-03\)](#)

A-XIV Sponsored Research Services

[Sponsored Research Services Reference Sheet \(AM-04\)](#)

A-XV Frequently Asked Questions (Asset Accounting)

(Section under development)

SECTION B – ASSET INVENTORY AUDITS

B-I Asset Inventory Audit Overview

[University Financial Policy number 2.1.13](#) (Capital Assets) requires the Office of Asset Management to schedule and perform physical audits of capital assets at least every two years, as well as periodically perform unscheduled audits.

Organizational units are responsible for stewardship of university assets under their control. Stewardship of capital assets includes basic safeguarding and physical security; compliance with university, state and federal record keeping requirements; maintaining assets in good working condition and using them safely and properly. Organizational units are responsible for arranging appropriate insurance coverage where required for compliance with sponsored project agreements.

Please refer to the [Capital Asset Audit Preparation Reference Sheet \(AM-01\)](#)

B-II Asset Tracking and Audit Grid (01-01-2009)

The Moveable Asset Tracking and Audit Grid provides for each type of asset acquisition the requirements for establishing an asset record in the Asset Management System (UCAMS) and the assets required to be audited by Asset Management.

The Moveable Asset Tacking and Audit Grid is available on-line at:

https://www.uc.edu/af/documents/asset/Asset_Tracking_and_Audit_Grid_01_01_2009.pdf

B-III Frequently Asked Questions (Asset Auditing)

Many questions related to asset audits are answered by referring to the [Capital Asset Audit Preparation Reference Sheet \(AM-01\)](#).

SOLUTIONS FOR COMMON PROBLEMS found during preparation for the asset audit include:

- **No asset tag found** > Complete a **Replacement Tag Request** form
- **Asset moved to new Building/Room** > Change location using transaction **AS02**
- **Serial Number not listed on asset record** > Add serial # using transaction **AS02**
- **Asset transferred to new Department** > Change Responsible Cost center using transaction **AS02**. Also change Building/Room to new location.
- **Assets unable to locate during the pre-audit performed by the Organization Unit must immediately be reported to Asset Management at assets@uc.edu.**
- **Asset On Loan to another Organizational Unit or outside party** > Documentation of the loan agreement should be provided to the auditor at the time of the audit. This should consist of e-mail correspondence between the parties or a loan agreement document including dated approval from the organizational unit head. If the loan term is greater than 30 days the Building/Room location must be changed in the Asset Management System.
- **Asset that often moves between rooms** > Contact Asset Management at assets@uc.edu for further instructions.
- **Asset located off-campus** > Complete form [AM05-Asset Located Off UC Campus](#).
- **Building/Room not listed in Asset Management System** > The Organizational Unit should contact Asset Management to add a new Building or Room to the Asset Management System. This includes leased properties and off-campus locations.
- **Unable to tag asset** > Contact Asset Management at assets@uc.edu for further instructions.
- **Difficult to tag asset** > Certain assets are difficult to tag due to type or location of the asset. Examples and suggested solutions include:
 - **Computer Servers and rack mounted equipment** > A tag should be placed on the server and a duplicate tag placed on the rack holding the server.
 - **Audio Visual Systems** > Since these systems usually include many components the tag should be placed on the control console.
 - **Vehicles** > The tag should be placed on the driver side door jamb near the manufacturer's label.
- **Difficult to access asset** > Some assets are located in areas that are difficult to access such as rooftops, platforms or clean areas requiring protective clothing to avoid contact with hazardous materials or contaminating research areas. Contact Asset Management at assets@uc.edu for further instructions.

SECTION C – SURPLUS EQUIPMENT

C-I Surplus Equipment

The Surplus Equipment Department serves the university community in all matters relating to the handling of surplus items by establishing a standard procedure for the proper disposal of assets taking into consideration applicable laws and concerns regarding information security, hazardous waste, radiation safety, and sponsored program contractual obligations, etc...

The Surplus Equipment (SE) Request Form along with instructions is available on-line at:
www.uc.edu/af/asset/serequest.html

C-II Frequently Asked Questions (Surplus Equipment)

[Surplus Equipment Department FAQs](#)

SECTION D – CENTRAL STORAGE

D-I Central Storage

(Section under development)

SECTION E – REFERENCE MATERIALS

E-I Forms, Contacts, Links

Forms

- [AM-01 – Capital Asset Audit Preparation Reference Sheet](#)
- [AM-02 – Asset Disposition Reference Sheet](#)
- [AM-03 – Asset Tag Reference Sheet](#)
- [AM-04 – SRS Asset Reference Sheet](#)
- [AM-05 – Asset Located Off UC Campus](#)

Contacts

Direct any general questions about University Policy “2.1.13 Capital Assets” to your Organizational Unit’s administrative office or business administrator. If you have questions about specific asset issues, contact the following offices:

Subject	Contact	Telephone	Web Address/Email
Asset Inventory System	Asset Management	(513) 556-0192	www.uc.edu/af/assetassets@uc.edu
Acquiring Capital Equipment	Asset Management	(513) 556-0192	www.uc.edu/af/assetassets@uc.edu
Audits of Capital Assets	Asset Management	(513) 556-0192	www.uc.edu/af/assetassets@uc.edu
Capital Construction Projects	Capital Finance	(513) 556-3152	_____
Constructing Departmental Assets	Asset Management	(513) 556-0192	www.uc.edu/af/assetassets@uc.edu
Disposition of Surplus Equipment	Surplus Equipment Department	(513) 556-5654	www.uc.edu/surplusurplus@uc.edu
Donating Capital Equipment	Asset Management	(513) 556-0192	www.uc.edu/af/assetassets@uc.edu
Environmental Issues in Disposing of Equipment	Environmental Health and Safety	(513) 556-4968	http://ehs.uc.edu/
Grant and Contract Equipment	Sponsored Research Services	(513) 556-6018	www.srs.uc.edu
Tagging Equipment	Asset Management	(513) 556-0192	www.uc.edu/af/assetassets@uc.edu
Security Issues in Disposing of Equipment Containing Sensitive Information	Information Security UC Information Technology	(513) 558-ISEC (513) 558-4732	www.uc.edu/infosec
Selling Surplus Equipment	Surplus Equipment Department	(513) 556-0192	www.uc.edu/surplusurplus@uc.edu
Reporting Stolen Assets	UC Police Department	(513) 556-1111	www.uc.edu/police

Links

The OMB circulars apply to all the federal agencies; however, individual awards may contain specific language regarding the procurement of equipment and specific reporting requirements.

- **OMB Circular A-21** Cost Principles for Educational Institutions
http://www.whitehouse.gov/omb/fedreg/2005/083105_a21.pdf
- **OMB Circular A-110** Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations
<http://www.whitehouse.gov/omb/circulars/a110/a110.html>
- **OMB Circular A-133** Audits of States, Local Governments, and Non-Profit Organizations
http://www.whitehouse.gov/omb/circulars/a133_compliance/07/07toc.html
- **NSF – National Science Foundation**
http://www.nsf.gov/pubs/policydocs/pappguide/nsf08_1/index.jsp
- **NIH - National Institutes of Health**
http://grants1.nih.gov/grants/policy/nihgps_2003/index.htm

SECTION F – GLOSSARY

(Section under development)

Accessory Equipment – Items considered as a portion of the first cost of the capital item if it was invoiced at the time of initial purchase. However, accessory equipment that was purchased with the intent of using it interchangeably with two or more items should be capitalized and recorded as a separate item of equipment. Accessory equipment that is acquired subsequent to the purchase of the parent item must have the capitalization criteria applied to it separately. These criteria will determine if the item is to be expensed or capitalized.

Athletic/Recreation Equipment – Items associated with playing sports, physical exercise and training.

Asset Management - The process whereby a large organization collects and maintains a comprehensive database of the assets it owns (including personal and real property). This data is used in connection with the financial aspects of ownership such as calculating the total cost of ownership, depreciation, licensing, maintenance, and insurance. Within this database the university may also want to collect and maintain information on assets temporarily loaned to the university by identifying the asset in the Asset Management System in the “Non-UC Titled” Asset Class.

Asset Audit - A physical examination of all capital moveable assets for each responsible cost center within the university. The audited asset data should reconcile with the data maintained in the UC Asset Management System such as: Asset Class / Number / Sub-Number / Description / Inventory Tag / Serial Number / Physical Location, etc.

Asset Master Record - The asset master record contains all information relating to an asset that remains unchanged over a long period of time:

- General master data
- Organizational allocations (usually time-dependent)
- Depreciation terms

Audio/Visual/Multimedia Equipment – Items associated with providing or presenting sound and pictures within the educational environment.

Automobiles/Motorcycles – Vehicular items licensed for personal passenger transportation.

Boats/Marine – Mobile items associated with water transportation.

Buildings - This category consists of all structures used for operating purposes and includes all permanently attached fixtures, machinery and other components that cannot be removed without damaging the buildings. Buildings are acquired by purchasing a building, constructing a building or entering a lease purchase agreement. Rented structures are not considered capital assets. If a building is purchased, the capital cost includes the purchase price plus any cost incurred to make the structure useable for the purpose for which it was acquired. The capital cost of a building acquired via a lease purchase agreement would include the agreement price plus any broker, legal fees or other costs associated with the execution of the agreement. If a building is constructed, the capital cost includes all project costs incurred to build the structure. In addition to original acquisitions, renovations to existing buildings must also be capitalized if the cost is \$100,000 or more. Renovations less than \$100,000 are typically expensed. The asset class used when establishing the asset master record for a building is 43000.

Building Component – Cost to include stated materials, labor to erect and/or install, and allocated fees.

Building Equipment - This category includes lab fixtures such as vented fume hoods. Although considered non-moveable, these items could be removed and replaced without damaging the building. The asset class used for building equipment is 46000.

ASSET MANAGEMENT POLICIES & PROCEDURES MANUAL

Building Numbers - Specific four digit numbers assigned to buildings and other structures which UC owns and to building not owned by UC but which house equipment owned or managed by UC. The assignment of these numbers is coordinated with the Controller's Office, Space Management and Asset Management.

Building Structure – To include foundations, slab on grade, framing, structural floors, and roof frame.

Capital Moveable Asset – Capital Moveable Assets are all personal property with a unit cost or market value of \$5,000 or more and having a probable useful life of at least two years. This does not include Capital fixed equipment which is permanently attached or built into a building or part of the general infrastructure.

In general, the acquisition cost of a capital moveable asset is the accumulation of all costs required to place the asset in service. This should include, but not necessarily be limited to, the net invoice price of the asset, the cost of required attachments, in transit insurance, freight, and installation. Good judgment and consistent treatment should rule with regard to what costs should be included.

Special consideration must be given regarding the acquisition cost of computers. In addition to costs noted above, the cost of software should also be included, if acquired as part of the original system package (preloaded), and is essential for the system to perform its intended purpose. Operating and special purpose software both comply with this criteria.

All capital moveable assets meeting the above criteria must be identified and reported in the UC Asset Management System for addition to the Capitalized Asset Inventory.

Some granting agencies may require capital assets be tracked in the UC Asset Management System even though these assets were not purchased on the grant or contract but used in association with a specific grant or contract. Consult specific granting agency guidelines or check with your grant administrator.

Computer Equipment – Items for processing of data either personal desktop or multi-user

Computer Software – Programs internal to computers, of capital cost, necessary for operation of computer equipment usually multi-user.

Copying Equipment – Office machine items that produce document copies.

CUFS – College and University Financial System (Financial System used by UC prior to implementation of SAP R/3 in 2005)

Data Erasure - The removal of data from storage media (i.e. hard drives, tape, CD's, etc...). The Department of Defense has set an industry standard for the safe removal of data from storage media.

Data Security - The overall process for implementing policies and procedures for the handling of storage media throughout the Asset Recovery process.

Demolishment – Whenever a building or structure is physically torn down, and the materials are disposed of.

Depreciation – An allocation of the cost of tangible property over its estimated useful life in a systematic and rational manner. The university calculates and reports depreciation in accordance with Generally Accepted Accounting Principals. The university uses the straight line method of depreciation.

Disposal - The act or process of getting rid of something. A disposal (retirement) is recorded whenever an item is physically disposed of (by sale, scrapping, etc.).

DoD5220.22-M - In order to be sure that a deleted file really is deleted, it is necessary to overwrite the data sectors of that file. This process is not simply "erasing" or "formatting" the drives, this is not sufficient, as there are numerous tools available to recover "lost" data on disk drives. The Department of Defense has published guidelines for wiping magnetic media to guarantee that all data previously contained on that magnetic media is gone forever, this

ASSET MANAGEMENT POLICIES & PROCEDURES MANUAL

specification is DOD5220.22-M. This specification requires that every single location on a magnetic media device is written to three individual times, first by writing a fixed value (0x00) once, then its compliment value (0xff) once, and finally random values once. After the random value overwrite is complete, the disk is read to verify the overwrites to make sure there is no lingering pattern.

Elevators – Elevators and lifts including landings and mechanical apparatus for vertical transport of passengers and material.

Electrical & Lighting – Items related to electric distribution, power, wiring and lighting including switchgear, breakers, and transformers.

Environmental Compliance - Documented policies and procedure to ensure that the Asset Recovery process is in compliance with Federal, State and local laws and ordinances.

Exterior Walls & Construction – Materials comprising the exterior wrapping of the building including doors and windows and other attached external wall items.

Fine Art Objects - This category includes artworks, such as paintings and sculptures, antiques or historical treasures. Generally these items are donated to the university. However, major new building projects may also include artwork as part of the project budget. The detail listing of each piece of Fine Art is maintained by the DAAP-Galleries & UC Fine Art Director.

Floor Cover – Finished on interior floors.

Food Service/Household Appliances – Items associated with preparation, delivery, and storage of food and beverage. Additionally, any household appliances.

Furniture – Items such as desks, conference tables, etc. usually no moving parts to wear out and there is no real substitute to make the item obsolete, and typically they can be repaired or refinished if needed.

Gift – An unconditional contribution received by the university for either unrestricted or restricted use in the operation of the University, and for which the university has made no commitment of resources or services, other than possible agreement to the designation of the use of the gift by the donor.

Grant – Refers to revenues received by the university for the support of university programs and projects.

HVAC – Items related to heating, cooling, and ventilating including central sources (within building), individual units, and distribution/collection piping or ducting.

Infrastructure - This category includes the cost of Roads, Driveways, Sewers, Tunnels and Network Systems. The asset classes for Infrastructure are as follows:

- 45001 Roads & Driveways
- 45002 Sewers & Tunnels
- 45003 Network Systems

Interdepartmental Transfers – One department may wish to transfer a capital items to another department, either with or without revenue realized from the transaction. Asset Management coordinates these types of transactions with the departments.

Interior Construction & Finishes – Items related to interior walls and finishes as well as ceiling finishes.

IT - Short for Information Technology, the broad subject concerned with all aspects of managing and processing information, especially within a large organization or company. Because computers are central to information management, computer departments within companies and universities are often called IT departments. Some companies refer to this department as IS (Information Services) or MIS (Management Information Services).

ASSET MANAGEMENT POLICIES & PROCEDURES MANUAL

Lab Fixtures – Attached interior laboratory cabinetry, benches, casework, fume hoods, etc. Note: Lab fixtures as defined here within organized research space are required to be reported on a room-by-room basis for federal cost reimbursement purposes (OMB A-21).

Land - This category includes all non-investment properties (land) that are purchased (whether direct or through a lease purchase agreement) or acquired by gift or bequest. Rented land is not considered a capital asset, and investment properties are separately listed in the Asset Inventory System with asset classes 40110, 40120 & 40130. The capital cost of land includes the purchase price (or fair market value as determined by an appraiser if a gift or bequest) plus any broker, legal fees or other costs associated with the execution of the purchase. The asset class for land is 41000.

Land Improvements - This category includes the cost of any improvements to existing land, other than buildings, and would include items such as parking lots, street and parking lot lighting, sidewalks, landscaping and utility distribution. Work to maintain land in existing condition would be an expense. The asset class for land improvements is 42000.

Library Books and Bindings - This category includes the cost of Library Collections which are fully cataloged and referenced by the Central University Library and Departmental Libraries. The detail listing of the Library Collections is maintained by the University Librarian.

Life Safety – Systems dedicated to fire and smoke alarms, building and room entry, and surveillance.

Lifecycle Management - A process used to manage IT hardware from procurement, installation, maintenance as well as recovery.

Medical/Lab/Scientific Equipment – Items providing analysis, measurement, testing, handling, etc. of materials and/or people within the laboratory/diagnostic environment.

Mobile Grounds/Maintenance Equipment – Unlicensed wheeled items serving building and grounds upkeep.

Money Handling Equipment – Items associated with counting and recording monetary transactions.

Moveable Assets (Capital) - Consists of furniture and equipment that are not part of the supporting structure of a building and that meet the specific criteria for capital assets.

Moveable Equipment Class – Costs to include equipment unit and delivery and installation, as necessary.

Musical Instruments – Instruments associated with the making and creating of music. This does not include tape/digital recording or playback devices.

Network (Infrastructure) – Item costs associated with infrastructure for data/voice transmission not specific to individual buildings.

Non-Capital Expenditures - Expenditures for repairs, maintenance or replacement of component parts which do not extend the unit's original life or significantly enhance its net value.

Non-Capital Moveable Asset - Non-Capital Moveable Assets are those assets with a unit cost or market value of less than \$5,000 but which the Organizational Unit deems appropriate to track in the UC Asset Management System.

Some granting agencies may require non-capital assets be tracked in the UC Asset Management System even though these assets were not purchased on the grant or contract but used in association with a specific grant or contract. Consult specific granting agency guidelines or check with your grant administrator.

ASSET MANAGEMENT POLICIES & PROCEDURES MANUAL

Non-UC Titled Assets - Assets acquired, fabricated or government furnished by a contracting agency (state, federal, private) where the contracting agency specifically states within the contract that the asset(s) associated with that contract is titled to that agency and must be tracked in the university inventory system. In some instances the contracting agency may turn over the title (ownership) of asset(s) to the university at the end of the contract.

Office Equipment – Items within the office environment other than copiers and computers.

Plumbing & Piping – Items related to distribution and collection of water and wastewater including fixtures and piping; includes sprinklers.

Pole Barns, Pavilions, etc. – All components related to minor buildings in their entirety.

Printing Equipment – Items associated with making books and other publications.

Radio Equipment – Items associated with radio communications.

Recycle - To put or pass through a cycle again, as for further treatment. To use again, especially to reprocess.

Refurbished - To bring equipment back to specifications and condition that are consistent with the same characteristics of the original unit.

Remarketing - The resale of assets received throughout the Asset Recovery process.

Residential Furnishings – Group items associated with furnishing for living areas and dormitories.

Roads/Driveways (Infrastructure) – Item costs associated with infrastructure for facilitation of movement of vehicular traffic.

Roof Cover – Materials to cover the roof as well as exterior drainage items at roof level.

Security Equipment – Items associated with law enforcement and group safety.

Sewers/Tunnels (Infrastructure) – Item costs associated with infrastructure for underground utility distribution or collection systems not specific to individual buildings.

Sewing Equipment – Items associated with sewing.

Site Preparation – Clearing, grading, and other perpetuation of the land for building construction.

Telecomm Equipment – Items associated with telecommunications.

Tools/Shop/Custodial Equipment - Items associated with fabricating, maintaining, and cleaning material and facilities.

Trucks/Vans/Buses/Other Licensed – Vehicular items licensed for transportation of goods, material, and groups of passengers.