

 <p>Category: Financial</p> <p>Policy applicable for: Faculty/Staff</p>	<p><i>Policy Title:</i> Capital Assets</p> <p>Effective Date: 05/01/2014</p> <p>Prior Effective Date: 01/01/2009</p> <p>Enabling Acts: University Board Rule 60-5-01 OMB Circular A-21 OMB Circular A-110 OMB Circular A-133 Federal Acquisition Regulations Ohio Department of Administrative Services</p>	<p><i>Policy Number:</i> 2.1.13</p> <p>Policy Owner: Sr. VP for Administration and Finance VP for Finance</p> <p>Responsible Office(s): Asset Management Sponsored Research Services</p>
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Background

To comply with state and federal regulations and industry accounting standards the University of Cincinnati must maintain accurate asset records. This policy addresses capital asset ownership, stewardship and reporting responsibilities.

Policy

For purposes of this policy capital assets include all personal and real property. 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 such as software. Real property consists of land, land improvements, buildings, construction in progress (termed as assets under construction in UC Flex), infrastructure, and building equipment such as lab fixtures.

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 ensuring that appropriate insurance coverage is in place, where such coverage is required by sponsored project agreements.

Asset Titling and Contractual Obligations

Assets acquired, fabricated or government furnished under a grant or contract must comply with all contractual obligations set forth by the sponsor. For example, if the contracting agency requires tracking of equipment values below \$5,000, the organizational unit must create the asset master record in UC Flex.

Any asset acquired, fabricated or government furnished with grant or contract funding is either titled to UC or to the sponsor; therefore the disposition of the asset must be approved by Sponsored Research Services and coordinated with Asset Management prior to disposition. Assets acquired, fabricated or government furnished with non-sponsored funding are titled to the University of Cincinnati.

Asset Tracking

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 must be tracked in UC Flex. Some granting agencies may require assets be tracked in UC Flex for assets less than \$5,000. Consult specific granting agency guidelines or check with your grant administrator.

All *software* purchased from external sources with a unit cost or market value of \$100,000 or more must be tracked in UC Flex. All *software* internally developed with a unit cost of \$500,000 or more must be tracked in UC Flex.

All *real property* with a unit cost or market value of \$100,000 or more must be tracked in UC Flex.

Asset Disposition

Prior to disposing of any asset, the organizational unit must obtain approval from Asset Management (refer to UC Asset Disposition Policy 2.1.15 for further information).

Roles and Responsibilities

Asset Management

- Must maintain the UC Flex Asset Accounting module, 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 Management

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

Controller's Office

- Must capitalize construction and renovation projects, posting to UC Flex.

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 UC Flex. *To obtain the role of Asset Inventory Tracker, the selected employee(s) must complete the Asset Inventory Tracker training class provided by UC Flex (See Related links)*

- Must exercise stewardship responsibilities over assets.
- Must create asset master records within UC Flex 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 UC Flex 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 **purchased 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 approval from Asset Management prior to disposing of an asset.
- Must dispose of assets according to UC Asset Disposition Policy 2.1.15.
- Must regularly conduct a physical inventory, verify the existence, condition, and location of all capital assets, and reconcile to UC Flex.
- Must make all audit finding corrections within 30 days of notification from Asset Management.
- Final responsibility for capitalized assets rests with the head of the organizational unit.

Failure to comply with this policy may result in disciplinary actions up to and including termination.

Refer to UC Asset Management Policies and Procedures Manual for further details relating to this policy (2.1.13).

Organizational units may institute policies more, but not less, restrictive than this policy (2.1.13) if desired.

Related links:

- UC Asset Management Policies and Procedures Manual
- Asset Disposition Policy (2.1.15)
- OMB Circular A-21: Cost principles for Educational Institutions
- OMB Circular A-110: Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations
- OMB Circular A-133: Audits of States, Local Governments, and Non-Profit Organizations
- Sponsored Research Services
- Surplus Management
- UC Flex Training Opportunities
- University Board Rule 60-5-01

Phone Contacts:

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