Financial Policies Training:  
**Capital Assets (2.1.13)**  

*Effective Date: January 1, 2009*
These PowerPoint slides are intended for training purposes. In the event of any discrepancy or interpretation difference between the policy and the slides, the policy dictates.
Capital Assets Policy (2.1.13)

- Addresses capital asset
  - Ownership
  - Stewardship
  - Reporting responsibilities

- To comply with
  - State and federal regulations
  - Industry accounting procedures
Capital Assets Policy (2.1.13)

Agenda

- Definitions and examples
- Asset
  - Titling, contractual obligations and disposition
  - Stewardship
  - Tracking in UC Asset Management System
- Roles and responsibilities
- Resources
Definitions and Examples

- **Capital assets** include all
  - Personal property
    - **Tangible personal property** (e.g., furniture, fixtures, equipment, machinery, vehicles, individual works of art and historical treasures)
    - **Intangible personal property** (e.g., software)
  - **Real property** (e.g., land, land improvements, buildings, construction in progress, infrastructure, building equipment such as lab fixtures)

(*For purposes of this policy*)
Asset Titling, Contractual Obligations and Disposition

- Any asset acquired, fabricated or government furnished with grant or contract funding
  - Is either titled to UC or the sponsor
  - Must comply with all contractual obligations set forth by the sponsor
  - Requires approval by Sponsored Research Services and coordination with Asset Management prior to disposition

- Any asset acquired, fabricated or government furnished with non-sponsored funding
  - Is titled to UC
  - Requires approval by Asset Management prior to disposition *(UC Asset Disposition Policy 2.1.15)*
Asset Stewardship

- **Org unit stewardship responsibility for capital assets under their control**
  - Basic safeguarding and physical security
  - Complying with university, state, federal record keeping
  - Maintaining assets in good working condition
  - Using assets safely and properly
  - Ensuring that appropriate insurance coverage is in place when required for the sponsored project agreement
Asset Tracking in UC Asset Management System

**Personal property requirements**
- If unit cost or market value of $5,000 or more and having probably useful life of at least two years
- If required by the granting agency even if less than $5,000
- If required by the obligations of the grant/contract

**Real property requirements**
- If unit cost or market value of $100,000 or more
Roles and Responsibilities

- **Asset Management**
  - Maintain UC Asset Management System; review postings of capital assets transactions
  - Provide org units with inventory tags
  - Review and approve forms (Asset Acquisition and Asset Disposition)
  - Process asset accounting entries
  - Prepare annual capital assets financial statement data
  - Schedule/perform physical audits of capital assets at least every two years
  - Periodically perform unscheduled audits
  - Re-audit assets failing an audit following the 30-day correction period
Roles and Responsibilities

- **Surplus Equipment Department**
  - Approve/coordinate final disposition of all surplus assets

- **Capital Finance**
  - Capitalize construction and renovation projects, posting to UC Asset Management System
Roles and Responsibilities

Organizational Unit – as assigned by Org Unit Head

- Assign at least one employee the asset inventory tracker role and receive associated training in UC Flex
  - Create asset master records within the UC Asset Management System for all capital moveable assets (optional for non-capital moveable assets unless required by the granting agency)
  - Adjust asset master records within the UC Asset Management System when required, for example
    - Changes to the responsible cost center
    - Changes to the asset location
    - Adding a serial number
- Apply inventory tags to assets immediately upon receipt
Roles and Responsibilities

**Organizational Unit – as assigned by Org Unit Head (cont.)**

- Notify Asset Management of any asset ownership (title) changes
  - *If research equipment purchased on a sponsored project, contact Sponsored Research Services for approval first*

- Complete the on-line Acquisition Form for all capital moveable assets acquired outside the Purchasing Requisition process or the P-Card process (e.g., donated, transferred into UC)

- When disposing of an asset
  - *Obtain prior approval from Asset Management*
  - *Follow UC Asset Disposition Policy*
Roles and Responsibilities

Organizational Unit – as assigned by Org Unit Head (cont.)

- Regularly conduct a physical inventory to
  - Verify the existence, condition and location of all capital assets
  - Reconcile to the UC Asset Management System
- Make all audit finding corrections within 30 days of notification from Asset Management
- Exercise stewardship responsibilities over assets
- Final responsibility rests with the org unit head
Resources

- **The Policy (2.1.13):**
  - [www.uc.edu/content/dam/uc/af/financialpolicies/Docs/capitalassets_pol.pdf](http://www.uc.edu/content/dam/uc/af/financialpolicies/Docs/capitalassets_pol.pdf)

- **Policy questions e-mail:**
  - policyquestions@uc.edu

- **UC Asset Management Policies & Procedures Manual**
  - [www.uc.edu/af/budgetfinsvcs/asset/resources.html](http://www.uc.edu/af/budgetfinsvcs/asset/resources.html)

- **Asset Disposition Policy (2.1.15):**
  - [www.uc.edu/content/dam/uc/af/financialpolicies/Docs/assetdisp_pol.pdf](http://www.uc.edu/content/dam/uc/af/financialpolicies/Docs/assetdisp_pol.pdf)