

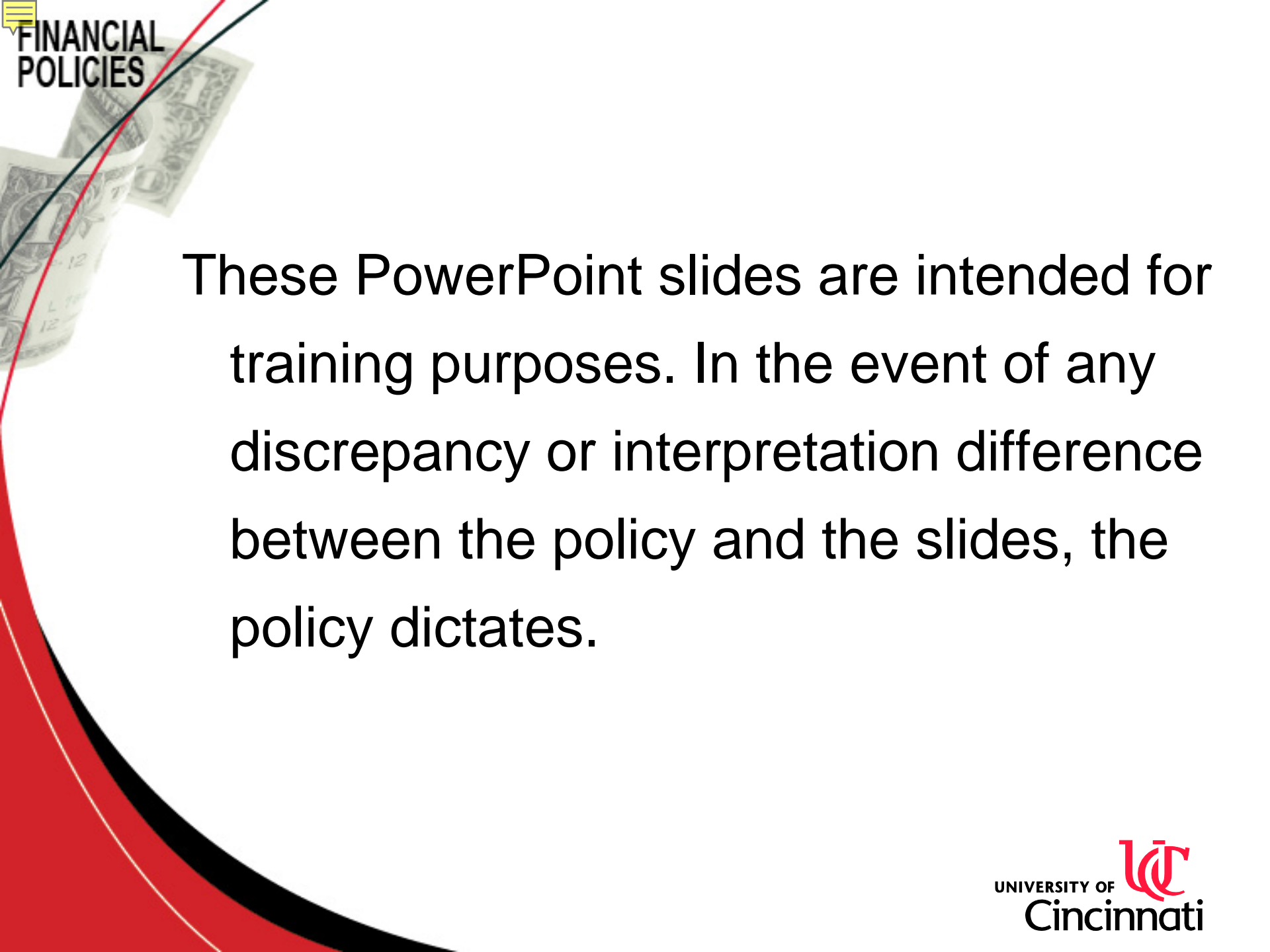


FINANCIAL
POLICIES

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

- **Policy questions e-mail:**

policyquestions@uc.edu

- **UC Asset Management Policies & Procedures Manual**

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