



University of Cincinnati Asset Management Policies & Procedures Manual

Updated: March 2013



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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 UCAMS.

The 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 UCAMS. 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;
- Complying with Organizational Unit policies related to assets including but not limited to [Information Security](#), [Environmental Health & Safety](#), [Radiation Safety](#) and [Risk Management](#).

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 (UCAMS):

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 UCAMS. Some granting agencies may require assets be tracked in the UCAMS 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.

* Beginning FY11 (07/01/2010) the threshold for capitalizing “**software**” is \$100,000 for purchased software and \$500,000 for internally developed software.

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 UCAMS.

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 grants and contracts*****) are not required to be tracked on the UCAMS. Although not required, an Organizational Unit may opt to track their non-capital assets in the UCAMS in lieu of manually tracking these assets on their own.

** Beginning FY11 (07/01/2010) the threshold for non-capital “**software**” is less than \$100,000 for purchased software.

*** Assets acquired, fabricated or government furnished under a grant or contract must comply with all contractual obligations set forth by the sponsor, including (but not limited to) establishing an asset record.

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 or the goods receipt was posted, whichever is earlier. 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.

* Beginning FY11 (07/01/2010) the threshold for capitalizing “**software**” is \$100,000 for purchased software and \$500,000 for internally developed software.

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 equipment that includes software in the purchase. Contact [Asset Management](#) for additional information.

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

Some granting agencies may require **capital** assets be tracked in the UCAMS even though these assets were not purchased on the grant or contract but used in association with a specific grant or contract. Assets acquired, fabricated, or government furnished under a grant or contract must comply with all contractual obligations set forth by the sponsor, including but not limited to establishing an asset record. 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 UCAMS**.

** Beginning FY11 (07/01/2010) the threshold for non-capital “**software**” is less than \$100,000 for purchased software.

Some granting agencies may require **non-capital** assets be tracked in the UCAMS even though these assets were not purchased on the grant or contract but used in association with a specific grant or contract. Assets acquired, fabricated, or government furnished under a grant or contract must comply with all contractual obligations set forth by the sponsor, including but not limited to establishing an asset record. 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 – Software (Note changes beginning FY11 are not retroactive)	5
• Beginning FY11 (07/01/2010) Capital Software changes:	
• 49300 Cap – Software (Externally Purchased) Capital threshold \$100,000 +	3 +
• 49300 Cap – Software (Internally Developed) Capital threshold \$500,000 +	Various
• 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

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• 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 < \$100,000

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

UC Flex Work Instructions

- [Asset Inventory Tracking Work Instructions](#)

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
 - 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

- Contact [Asset Management](#) for any R/3 Reporting needs

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 notify [Asset Management](#) when the following asset status is to be established or changed:

- **Constructed (Departmental)**
- **Gifted/Donated (Into UC)**
- **Purchased Assets (via A114 Request for Payment)**
- **Transferred In (From Outside UC)**

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 must notify [Asset Management](#) with the following information:
 - Asset Number(s)
 - Estimated Cost of Completed Asset
 - Estimated Start Date of Construction
 - Estimated End Date of Construction
- Once the asset is constructed and placed in service, the Organizational Unit must contact [Asset Management](#) again 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 – Gifts-in-kind support the mission of the University of Cincinnati and enhance the quality of the education offered to its students. Gifts-in-kind include tangible personal property (e.g. equipment, antiques, automobiles, etc.), intangible personal property (e.g. software, patents, copyrights, etc.) and real estate. In general, contributions are transactions in which one entity makes an unconditional voluntary transfer to another entity without directly receiving equal value in exchange.

Acceptance of any gift-in-kind requires a formal **UC Agreement** and the **A-910 “Contract Approval Cover Sheet”** routed to all concerned parties, including General Counsel for signature

approval. Contact [Asset Management](#) for a copy of the “**Agreement for Donation of Property to UC**”.

Purchased Assets (via A114 Request for Payment) – On occasion an asset may be purchased by an employee and then reimbursed by completing the A114 form if approved by the Organizational Unit head. The unit must create the asset master shell; complete A114 form referencing the asset number, and submit this form to Accounts Payable.

Transferred In (From Outside UC) (*including sponsored activity and loans from other agencies*) Any property transferred in from outside UC requires a formal **UC Agreement** and the **A-910 “Contract Approval Cover Sheet”** routed to all concerned parties, including General Counsel for signature approval. Contact [Asset Management](#) for a copy of the “**Agreement for Loan of Property to UC**”.

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.

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.

A-IX Asset Disposition

All Organizational Units must receive prior approval from Asset Management **before** disposing of any asset. Contact [Asset Management](#). Also refer to the [Asset Disposition Policy 2.1.15](#) for additional information.

Methods of Asset Dispositions:

- **SURPLUS** - Send the asset to the **Surplus Equipment Department** for final disposition. The Surplus Equipment (SE) Request Form along with instructions is available on-line at: <http://www.uc.edu/af/budgetfinsvcs/asset/surplus/serequest.html>. The Surplus Equipment Department will decide on one of the following methods of disposal:
 1. **Recycle:**
 - Made available to Organizational Units FREE of CHARGE
 - Sent to a Recycling Vendor by the Surplus Equipment Department
 2. **Sell:**
 - Made available at Surplus Public Sales
 - Posted to Surplus Web Site by Surplus Equipment Department
 3. **Dispose:**
 - Send to a Recycling Vendor by the Surplus Equipment Department
 - Discarded by Surplus Equipment Department

- **DIRECT SALE**
 1. **Sealed Bid Auction**
 2. **Agreement For Sale of Property from 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. Contact [Asset Management](#) for a copy of the appropriate UC Property Agreement.

- **TRADE IN*** - May require asset retirement of old asset record and establishment of new asset master record. Contact [Asset Management](#) for further direction.

- **TRANSFER INSIDE UC** - Requires agreement between two Organizational Units. Responsible Cost Center and Location must be updated.

- **TRANSFER OUTSIDE UC*** - Requires a formal UC **Agreement** and the **A-910 “Contract Approval Cover Sheet”** routed to all concerned parties, including General Counsel for signature approval. Contact [Asset Management](#) for a copy of the appropriate UC Property Agreement.

- **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. Contact [Asset Management](#) for a copy of the appropriate UC Property Agreement.

- **LOST/THEFT*** - May need to notify UC Police, Risk Management as well as Asset Management. *Contact [Asset Management](#) for further direction.*

* Requires Asset Disposition Request Form to be submitted to Asset Management

A-X Assets Requiring Special Handling

- Sponsored Program (Research) Equipment - [Sponsored Research Services](#)
- Fabricated Equipment - [Acquisitions - Constructed Departmental Assets](#)
- Safeguarding Equipment with Sensitive Information - [UC Information Security](#)
- Handling and Disposing of Hazardous Equipment - [Environmental Health and Safety](#)
- Handling and Disposing of Equipment Used in Connection with Radioactive Material - [Radiation Safety](#)

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

[AM01 - Capital Asset Audit Prep Reference Sheet](#) (PDF)

[AM02 - Asset Disposition Reference Sheet](#) (PDF)

[AM04 - SRS Asset Reference Sheet](#) (PDF)

[AM05 - Asset Audit Exception Form](#) (DOCX)

[Asset Classes including Useful Lives](#) (PDF)

A-XIII Asset Inventory Tags

As a general rule, all Moveable Assets appearing in the UC Asset Management System (UCAMS) 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 may 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 should 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)

All assets classified as **tangible personal property** and maintained in the UCAMS shall each be affixed with an Asset Inventory Tag except for the following:

- Internal components and sub-components to internal components
- Software licenses
- Insufficient surface area or unusual contour of surface does not allow for permanent adhesion
- Subject to environmental conditions (i.e., tag cannot remain affixed to the items throughout asset lifecycle)

Form [AM05 - Asset Audit Exception Form](#) should be completed for any asset that is unable to be tagged and provided to the UC Asset Auditor at the time of an audit.

A-XIV Sponsored Research Services

[AM04 - SRS Asset Reference Sheet](#) (PDF)

A-XV Frequently Asked Questions (Asset Accounting)

- Many questions related to asset accounting are answered by referring to the [Asset Inventory Tracking Work Instructions](#) and/or [Frequently Asked Questions](#).

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.

The scope of the audits focus on performing a physical inventory of each capital asset for which an Organizational Unit is responsible, verifying inventory tags are properly displayed on the asset, the asset is in the location (building/room) identified on the capital asset listing, the asset record includes a manufacturer serial number and that University policies regarding Moveable Capital Assets are being adhered to.

Prior to the audit the Organizational Unit must verify the location, inventory tag number and serial number for each asset and submit any needed Asset Acquisition, Asset Disposition, or Replacement Tag Requests. This allows time for the Office of Asset Management to make accounting entry(s) to reflect additional acquisitions or dispositions and generate requested replacement tags and bring them along on the day of the audit.

Following the audit, the Office of Asset Management prepares a Draft Audit Report summarizing the audit results and findings. The Organization Unit is provided an opportunity to submit a response that is included in the Final Audit Report.

University Financial Policy number 2.1.13 (Capital Assets) requires the Organizational Unit to make all audit finding corrections within 30 days of notification from the Office of Asset Management. In conjunction with this 30-day requirement, a follow-up audit is performed by the asset auditor to verify all corrections have been made. Following the 30-day follow-up audit a Final Audit Report is issued.

Please refer to the [AM01 - Capital Asset Audit Prep Reference Sheet](#) for additional information.

B-II Asset Tracking and Audit Grid

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.

[Asset Tracking and Audit Grid](#) (PDF)

B-III Frequently Asked Questions (Asset Auditing)

Many questions related to asset audits are answered by referring to the [AM01 - Capital Asset Audit Prep Reference Sheet](#) and/or [Frequently Asked Questions](#).

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...

University organizational units are encouraged to reclaim assets from within the university wherever possible. In addition to offering items to university organizational units at no cost, the Surplus Equipment Department provides outlets for the sale of surplus items to the general public via the Monthly Public Sale.

For additional information refer to the following:

[Monthly Public Sale Info](#)

[Org Unit Viewing Info](#) - FREE SURPLUS TO UC ORG UNITS

[Send an Item to Surplus - SE Request Process](#)

C-II Frequently Asked Questions (Surplus Equipment)

Many questions related to surplus equipment are answered by referring to the [Frequently Asked Questions](#).

SECTION D – CENTRAL STORAGE

D-I Central Storage

The Office of Asset Management offers secure, climate controlled, on-campus long term storage to university organizational units at rates much lower than industry averages. We have a variety of options available depending on the level of security needed.

Storage Viewing: Storage visitors must be pre approved by the organizational unit head and be listed on the Central Storage Agreement. In order to guarantee a Central Storage staff member will be available to provide access, visitors who require escorted access must contact [Central Storage](#) 24 hours in advance to schedule access to storage areas.

Parking: Since the UC Shuttle does not stop at the Campus Services Building, Asset Management has worked with Parking Services to allow approved visitors to view storage areas in the Campus Services Building by displaying a valid UC Parking decal along with a 2 Hour Special Parking Permit available from Central Storage upon arrival at the Campus Services Building. Parking Services will not issue parking citations in the Reading Lot if a valid decal is displayed along with the Special Parking Permit but will issue citations if the Special Parking Permit is not displayed.

D-II Frequently Asked Questions (Central Storage)

Many questions related to central storage are answered by referring to the [Frequently Asked Questions](#).

SECTION E – REFERENCE MATERIALS

E-I Forms, Contacts, Links

Forms

- [AM01 - Capital Asset Audit Prep Reference Sheet](#) (PDF)
- [AM02 - Asset Disposition Reference Sheet](#) (PDF)
- [AM04 - SRS Asset Reference Sheet](#) (PDF)
- [AM05 - Asset Audit Exception Form](#) (DOCX)

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/assetassets@uc.edu
Acquiring Capital Equipment	Asset Management	(513) 556-0192	www.uc.edu/assetassets@uc.edu
Audits of Capital Assets	Asset Management	(513) 556-0192	www.uc.edu/assetassets@uc.edu
Capital Construction Projects	Capital Finance	(513) 556-3152	_____
Constructing Departmental Assets	Asset Management	(513) 556-0192	www.uc.edu/assetassets@uc.edu
Disposition of Surplus Equipment	Surplus Equipment Department	(513) 556-5654	www.uc.edu/surplusassets@uc.edu
Donating Capital Equipment	Asset Management	(513) 556-0192	www.uc.edu/assetassets@uc.edu
Environmental Issues in Disposing of Equipment	Environmental Health and Safety	(513) 556-4968	www.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/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) 556-5654	www.uc.edu/surplusassets@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/circulars_default
- **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_default
- **OMB Circular A-133** Audits of States, Local Governments, and Non-Profit Organizations
http://www.whitehouse.gov/omb/circulars_default
- **NSF** – National Science Foundation
http://www.nsf.gov/publications/pub_summ.jsp?ods_key=papp
- **NIH** - National Institutes of Health
http://grants1.nih.gov/grants/policy/nihgps_2010/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 (UCAMS) 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 Asset Management System (UCAMS) 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.

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 Asset Management System (UCAMS) for addition to the Capitalized Asset Inventory.

Some granting agencies may require capital assets be tracked in the Asset Management System (UCAMS) 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 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 - Improvements related to land but are not associated with a building. Infrastructure expenditures have a life exclusive of a building. The Infrastructure category includes items such as streets, street lighting, roads, sidewalks, curbs, utility distribution systems, and storm systems. These capital assets are depreciated over their estimated useful lives. 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).

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 - A capital asset that is not depreciated. Land may or may not be developed and ready for use. All costs incurred in acquiring land (purchase price, legal fees, etc.) should be considered as part of the land cost including costs incurred in getting the land ready for use. The asset class for land is 41000.

Land Improvements - Separate from land and include items such as parking lots, fencing, gates, athletic fields and parking lot lighting. These capital assets are depreciated over their estimated useful lives. 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 Asset Management System (UCAMS) 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-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.

Sewage Equipment – Items associated with sewage.

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.

(Under Development)