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A-I Introduction

Purpose
The purpose of this manual is to ensure that those responsible for acquiring, tracking 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 capital assets tracked in UC Flex as well as non-capital assets that the organizational unit opted to track or tracking was required by a sponsored project.

UC Flex 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 creating and maintaining asset records in UC Flex.

Background
To comply with state and federal regulations and governmental 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 Flex. 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
- Ensuring that appropriate insurance coverage is in place when required by sponsored project agreements
- Complying with organizational unit policies related to assets including but not limited to Information Security, Environmental Health & Safety, Radiation Safety and Enterprise Risk Management.
A-II  Asset Tracking (Required vs. Optional)

**Assets “required” to be tracked in UC Flex:**
All personal property (consists of tangible personal property, such as furniture, lab fixtures, office equipment, computer hardware, audio/visual equipment, medical/lab/scientific equipment, vehicles, 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 UC Flex. The threshold for capitalizing software is $100,000 for purchased software and $500,000 for internally developed software.

Some granting agencies may require assets be tracked in UC Flex 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 the 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 UC Flex.

**Assets with the “option” to be tracked in the UC Flex:**
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 in UC Flex. Although not required, an organizational unit may opt to track non-capital assets in UC Flex in lieu of manually tracking these assets on their own.

* 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 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 requests.
• Must process 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 approve the disposition method and coordinate the disposition of all surplus assets.

Organizational Unit
(Responsibilities must be assigned by Unit Head)

• Must assign at least one employee to the Asset Inventory Tracker role in UC Flex with responsibility for maintaining asset records. To obtain the role in UC Flex the selected employee(s) must complete the Asset Inventory Tracker training class in Success Factors.
• Must exercise stewardship responsibilities over all 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.
• Must submit Asset Acquisition Requests in UC Flex for all capital moveable assets acquired outside the “Purchasing” or “P-Card” process (i.e. donated to UC, transferred to UC, etc.).
• Must submit Asset Disposition Requests in UC Flex for all capital moveable assets not sent to Surplus Management for disposition.
• 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 moveable capital assets and reconcile to UC Flex.
• 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). 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.

(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 have a unit cost or market value of $5,000 or more or multiple components with a unit cost or market value of less than $5,000 with a total cost or market value of $5,000 or more. Capital moveable assets must have 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. 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. The cost should include the net invoice price of the asset, the cost of required components, in transit insurance, freight, and installation. The cost should exclude travel, training and service agreements.

All capital moveable assets meeting the above criteria must be tracked in UC Flex as capital assets.

Some granting agencies may require capital assets be tracked in UC Flex even though these assets were not purchased on the grant or contract by UC but were provided by the sponsor 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 the 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 UC Flex.

Some granting agencies may require non-capital assets be tracked in UC Flex. 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 as asset record. Consult specific granting agency guidelines or check with the grant administrator.
A-VI  Asset Classes / Useful Lives

The following are the Asset Classes and Useful Life (major classes and sub-classes) for Assets tracked in UC Flex:

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. Each asset class has its own "Useful Life". Depreciation is addressed in section A-IV.

Personal Property: Capital

<table>
<thead>
<tr>
<th>Asset Class / Description</th>
<th>Useful Life in Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>49001 Cap – Computers/Printers/Monitors</td>
<td>5</td>
</tr>
<tr>
<td>49002 Cap – Audio-Visual/Multimedia Equipment</td>
<td>7</td>
</tr>
<tr>
<td>49003 Cap – Musical Instruments</td>
<td>15</td>
</tr>
<tr>
<td>49104 Cap – Copy Equipment (office copiers)</td>
<td>5</td>
</tr>
<tr>
<td>49105 Cap – Office Equipment (other than copiers)</td>
<td>10</td>
</tr>
<tr>
<td>49106 Cap – Medical/Lab/Scientific</td>
<td>7</td>
</tr>
<tr>
<td>49107 Cap – Automobiles/Motorcycles</td>
<td>5</td>
</tr>
<tr>
<td>49108 Cap – Trucks/Vans/Buses/Other Licensed</td>
<td>8</td>
</tr>
<tr>
<td>49109 Cap – Mobile Grounds/Maintenance</td>
<td>10</td>
</tr>
<tr>
<td>49110 Cap – Boats/ Marine</td>
<td>10</td>
</tr>
<tr>
<td>49111 Cap – Athletic/Recreation</td>
<td>10</td>
</tr>
<tr>
<td>49112 Cap – Telecom Equipment</td>
<td>8</td>
</tr>
<tr>
<td>49113 Cap – Radio Equipment</td>
<td>10</td>
</tr>
<tr>
<td>49114 Cap – Security Equipment</td>
<td>10</td>
</tr>
<tr>
<td>49115 Cap – Printing Equipment</td>
<td>10</td>
</tr>
<tr>
<td>49116 Cap – Tools/Shop/Custodial</td>
<td>12</td>
</tr>
<tr>
<td>49117 Cap – Food Service/ Household Appliances</td>
<td>10</td>
</tr>
<tr>
<td>49118 Cap – Money Handling Equipment</td>
<td>10</td>
</tr>
<tr>
<td>49119 Cap – Sewing Equipment</td>
<td>7</td>
</tr>
<tr>
<td>49300 Cap – Computer Software $100,000+</td>
<td>3</td>
</tr>
<tr>
<td>49600 Cap – Furniture</td>
<td>20</td>
</tr>
</tbody>
</table>
**Non-UC Titled Assets: Capital / Non-Capital**

<table>
<thead>
<tr>
<th>Asset Class / Description</th>
<th>Useful Life in Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 49700 Non-UC Titled Assets (capital)</td>
<td>N/A</td>
</tr>
<tr>
<td>• 39700 Non-UC Titled Assets (non-capital)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Real Property: Capital**

<table>
<thead>
<tr>
<th>Asset Class / Description</th>
<th>Useful Life in Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 41000 Land</td>
<td>N/A</td>
</tr>
<tr>
<td>• 42000 Land Improvements</td>
<td>20</td>
</tr>
<tr>
<td>• 43000 Buildings</td>
<td>See Bldg. Sub-Classes</td>
</tr>
<tr>
<td>• 44100 AuC Construction (Building Asset under Construction)</td>
<td>N/A</td>
</tr>
<tr>
<td>• 44200 AuC Departmental (Moveable Asset under Construction)</td>
<td>N/A</td>
</tr>
<tr>
<td>• 45001 Infrastructure – Roads/Driveways</td>
<td>20</td>
</tr>
<tr>
<td>• 45002 Infrastructure – Sewers/Tunnels</td>
<td>20</td>
</tr>
<tr>
<td>• 45003 Infrastructure - Network</td>
<td>15</td>
</tr>
<tr>
<td>• 46000 Building Equipment – Lab Fixtures</td>
<td>15</td>
</tr>
<tr>
<td>• Building Sub-Classes:</td>
<td></td>
</tr>
<tr>
<td>9100 Site Preparation</td>
<td>30</td>
</tr>
<tr>
<td>9105 Building Structure</td>
<td>50</td>
</tr>
<tr>
<td>9120 Floor Cover</td>
<td>12</td>
</tr>
<tr>
<td>9135 Roof Cover</td>
<td>20</td>
</tr>
<tr>
<td>9140 Elevators</td>
<td>30</td>
</tr>
<tr>
<td>9145 Life Safety</td>
<td>20</td>
</tr>
<tr>
<td>9150 Electrical &amp; Lighting</td>
<td>20</td>
</tr>
<tr>
<td>9155 Plumbing &amp; Piping</td>
<td>25</td>
</tr>
<tr>
<td>9160 HVAC</td>
<td>20</td>
</tr>
<tr>
<td>9165 Exterior Walls &amp; Construction</td>
<td>30</td>
</tr>
<tr>
<td>9170 Interior Construction &amp; Finish</td>
<td>25</td>
</tr>
<tr>
<td>9180 Pole Barns, Pavilions</td>
<td>20</td>
</tr>
<tr>
<td>Asset Class / Description</td>
<td>Useful Life in Years</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>• 39001 Non Cap – Computers/Printers/Monitors</td>
<td>---</td>
</tr>
<tr>
<td>• 39002 Non Cap – Audio-Visual/Multimedia Equipment</td>
<td>---</td>
</tr>
<tr>
<td>• 39003 Non Cap – Musical Instruments</td>
<td>---</td>
</tr>
<tr>
<td>• 39104 Non Cap – Copy Equipment (office copiers)</td>
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<tr>
<td>• 39105 Non Cap – Office Equipment (other than copiers)</td>
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<td>• 39107 Non Cap – Automobiles/Motorcycles</td>
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<td>• 39108 Non Cap – Trucks/Vans/Buses/Other Licensed</td>
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</tr>
<tr>
<td>• 39109 Non Cap – Mobile Grounds/Maintenance</td>
<td>---</td>
</tr>
<tr>
<td>• 39110 Non Cap – Boats/ Marine</td>
<td>---</td>
</tr>
<tr>
<td>• 39111 Non Cap – Athletic/Recreation</td>
<td>---</td>
</tr>
<tr>
<td>• 39112 Non Cap – Telecom Equipment</td>
<td>---</td>
</tr>
<tr>
<td>• 39113 Non Cap – Radio Equipment</td>
<td>---</td>
</tr>
<tr>
<td>• 39114 Non Cap – Security Equipment</td>
<td>---</td>
</tr>
<tr>
<td>• 39115 Non Cap – Printing Equipment</td>
<td>---</td>
</tr>
<tr>
<td>• 39116 Non Cap – Tools/Shop/Custodial</td>
<td>---</td>
</tr>
<tr>
<td>• 39117 Non Cap – Food Service/ Household Appliances</td>
<td>---</td>
</tr>
<tr>
<td>• 39118 Non Cap – Money Handling Equipment</td>
<td>---</td>
</tr>
<tr>
<td>• 39119 Non Cap – Sewing Equipment</td>
<td>---</td>
</tr>
<tr>
<td>• 39300 Non Cap – Computer Software &lt; $100,000</td>
<td>---</td>
</tr>
<tr>
<td>• 39400 Non Cap – Furniture</td>
<td>---</td>
</tr>
</tbody>
</table>
A-VII UC Flex Asset Transactions / Reports

Create Asset Master Record (AS01)
- Use this transaction to create an asset master record shell.
- AS01 Reference Guide

Change Asset Master Record (AS02)
- Use this transaction to change an asset master record shell or asset master record with acquisition posting.
  - Change asset location (building and/or room)
  - Add/Change serial number
  - Add/Change manufacturer
  - Add/Change license plate number
  - Change Responsible Cost Center
  - Change asset description (line 1) or model (line 2)
  - Add/Change asset long text
- AS02 Reference Guide

Create Asset Sub-Number (AS11)
- Create additional sub-number(s) for multiple funding sources for a single asset.
- AS11 Reference Guide

Display Asset Master Record (AS03)
- Displays the asset master record shell or asset master record with acquisition posting.
- AS03 Reference Guide

Asset Explorer (AW01N)
- Displays the master and financial transaction data for an asset
- AW01N Reference Guide

Business Objects (BOBJ) Asset Reports
- AA310 Detailed Asset Information
- AA311 Deactivated Asset Detailed Information
- AA330 Asset Depreciation
A-VIII  Asset Acquisition

Assets are normally acquired using a purchase order or purchasing card (P-Card). These acquisitions must be made following the guideline provided by Central Purchasing. The Asset Master Record Shell is created in UC Flex using transaction AS01.

In UC Flex, transaction AS02 (asset Origin tab) is used to submit an acquisition request to Asset Management when acquiring an asset outside of the normal purchasing process. Acquisition methods include:

Convert Expense to Asset – This notifies Asset Management that an asset purchase was assigned to an expense account in error and should be transferred to an asset number.

Gift/Donate to UC – Acceptance of any gift-in-kind must be coordinated with the UC Foundation. Refer to Gifts-in-Kind to the University Policy 2.1.10.

Transferred Sponsored Asset to UC - Equipment may be transferred to UC along with a sponsored agreement. The sponsored agreement will list equipment that is being furnished for the project.

Found – An asset previously reported as lost or stolen is found.

Completed Asset under Construction (AuC) – This type of asset is assigned to asset class 44200 and constructed over a period of time, typically with multiple purchase orders and P-Card purchases. The individual components may cost less than $5,000 but the total of all components combined is $5,000 or more. When the asset is completed and placed in service, the AuC asset is transferred to a permanent asset assigned to the appropriate asset class i.e. 49106 (Cap Med/Lab/Scientific). Depreciation begins after the AuC is transferred to the permanent asset.

Asset Loan to UC - An asset loaned to UC should be assigned to asset class 39700 – Non-Capital Non-UC Titled Assets or asset class 49700 – Capital Non-UC Titled Assets. “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.
Asset Disposition

Organizational units must obtain approval from Asset Management and Surplus Management prior to actual disposition of an asset. The standard procedure is to send all assets to Surplus Management for final disposition. Refer to Asset Disposition Policy 2.1.15 for additional information.

Methods of Asset Dispositions:

- **Surplus Management** - Send the asset to Surplus Management for final disposition by submitting a transfer request in the AssetWorks system. Surplus Management will determine the most cost effective disposition method:
  - Redistribute within UC for reuse / cost avoidance
  - Sell at public sale or via on-line auction
  - Send to environmentally correct recycling vendor
  - Direct disposal after other options exhausted

- **Asset Management** - In UC Flex, transaction AS02 (asset Origin tab) is used to submit a disposition request to Asset Management when the asset is not sent to Surplus Management. Disposition methods include:
  - **Destroy/Scrap** - The asset is “parted out” or removed from UC.
  - **Trade-in** – The asset is traded-in when acquiring a new asset
  - **Transfer Sponsored Asset Outside UC** - Equipment may be transferred from UC to another institution along with a sponsored agreement.
  - **Gift/Donate** - Requires approval of donation agreement in the contract management system.
  - **Sale to External Customer** – Requires approval of a sales agreement in the contract management system.
  - **Vandalized or Stolen** - Also notify UC Public Safety and Enterprise Risk Management.
  - **Lost** – Asset cannot be located.
A-X  Assets Requiring Special Handling

• Sponsored Program (Research) Equipment - *Sponsored Research Services*

• 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*
### Federally Funded or Federally Owned Equipment Standards

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

<table>
<thead>
<tr>
<th>A-133 Information Requirements</th>
<th>Location of Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1a.</strong> Description of the equipment</td>
<td>Asset Record (General tab)</td>
</tr>
<tr>
<td><strong>1b.</strong> Manufacturer’s serial number, model number, federal stock number, national stock number, or other identification number</td>
<td>Asset Record (General tab and Origin tab)</td>
</tr>
<tr>
<td><strong>1c.</strong> Source of the equipment, including the award number</td>
<td>Asset Record (Time Dependent tab)</td>
</tr>
<tr>
<td><strong>1d.</strong> Whether title vests in the recipient of the Federal Government</td>
<td>Asset Record (Allocations tab)</td>
</tr>
<tr>
<td><strong>1e.</strong> Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost</td>
<td>Asset Record (General tab and Asset Values button)</td>
</tr>
<tr>
<td><strong>1f.</strong> 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)</td>
<td>Asset Record (Asset Values button for each asset sub-number)</td>
</tr>
</tbody>
</table>
| **1g.** Location and condition of the equipment and the date the information was reported | Asset Record (Time Dependent tab)  
Note: “Condition” must be maintained by the responsible organizational unit. |
| **1h.** Unit acquisition cost | Asset Record (Asset Values button) |
| **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)  
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.  
   Asset Record (Allocations tab) - Investment Reason = 30 for federal government ownership (title).

3. A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. 
   Capital Assets Policy 2.1.13 requires Asset Management to complete 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) 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 Asset Management or Surplus Management for assistance in determining proper sales procedures.
A-XII   Asset Management Resources

Reference Materials:
- 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:
- Asset Class Examples (PDF)
- Asset Classes including Useful Lives (PDF)
- Asset Tracking and Audit Grid (PDF)

UC Flex Inventory Tracking Training:
- UC Flex Asset Inventory Tracking Course (Success Factors)
- AS01 - Create Asset Reference Guide (PDF)
- AS02 – Change Asset Reference Guide (PDF)
- AS03 – Display Asset Reference Guide (PDF)
- AS11 – Create Asset Sub-Number Reference Guide (PDF)
- AW01N – Asset Explorer Reference Guide (PDF)
A-XIII  Asset Inventory Tags

All moveable assets in UC Flex are assigned an asset tag number that matches the UC Flex assigned asset number. Asset tags are issued by Asset Management after an asset receives value from an invoice posting, P-Card allocation or A114 posting in UC Flex.

Inventory tags should be applied to an easily visible location on the asset that will not require the asset to be moved in order to be seen. Recommendations include:

- The top/front left or top/front right is typically a good location for most equipment
- Audio Visual Systems – Applying the tag to the control console is an option when the A/V System includes many components
- Vehicles – Apply the tag inside of the driver’s door jamb
- Computer Servers and rack mounted equipment – Apply the tag to the server whenever possible rather than the rack or server faceplate

There are special circumstances when an asset tag cannot be applied to an asset. This may be due to the asset's small size, sensitive calibration or environmental conditions. If these situations apply to an audited capital asset, the organizational unit should complete AM05 - Asset Audit Exception Form and provide it to the auditor at the time of the audit.

If an asset tag is lost or damaged, a replacement tag may be ordered by using UC Flex transaction AS02 (Change Asset). The “Replace Missing/Damaged Asset Tag” checkbox is located on the asset record General tab and must be selected and saved to order a replacement tag. Asset Management will process the request the following business day and mail the asset tag to the user’s campus mail location.
A-XIV  Sponsored Research Services

AM04 - SRS Asset Reference Sheet (PDF)
A-XV  Frequently Asked Questions (Asset Accounting)

To comply with state and federal regulations and governmental 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.

Many questions related to asset accounting are answered by referring to the UC Flex Asset Inventory Tracking Course (Success Factors) and/or Asset Management Frequently Asked Questions.
SECTION B – ASSET INVENTORY AUDITS

B-I Asset Inventory Audit Overview

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

The scope of the audits focus on performing a physical inventory after selecting a sample of capital assets for which an organizational unit is responsible, verifying asset 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 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 asset tag requests. This allows time for Asset Management to make accounting entry(s) to reflect additional acquisitions or dispositions and generate requested replacement tags.

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 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.

Please refer to 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 UC Flex and the assets required to be audited by Asset Management.

Asset Tracking and Audit Grid (PDF)
B-III  Frequently Asked Questions (Asset Auditing)

To comply with state and federal regulations and governmental 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.

Many questions related to capital asset audits are answered by referring to AM01-Capital Asset Audit Prep Reference Sheet and/or Asset Management Frequently Asked Questions.
SECTION C – REFERENCE MATERIALS
Documents, Contacts, Links

Documents

Reference Sheets:
- AM01 - Capital Asset Audit Prep Reference Sheet (PDF)
- AM02 - Asset Disposition Reference Sheet (PDF)
- AM04 - SRS Asset Reference Sheet (PDF)

Forms:
- AM05 - Asset Audit Exception Form (DOCX)

Asset Classes:
- Asset Class Examples (PDF)
- Asset Classes including Useful Lives (PDF)
- Asset Tracking and Audit Grid (PDF)

UC Flex Inventory Tracking Training:
- UC Flex Asset Inventory Tracking Course (Success Factors)
- AS01 - Create Asset Reference Guide (PDF)
- AS02 – Change Asset Reference Guide (PDF)
- AS03 – Display Asset Reference Guide (PDF)
- AS11 – Create Asset Sub-Number Reference Guide (PDF)
- AW01N – Asset Explorer Reference Guide (PDF)
Contacts

*Direct any general questions about University Policies “2.1.13 Capital Assets” and “2.1.15 Asset Disposition” to your organizational unit’s administrative office or business administrator. If you have questions about specific asset issues, contact the following offices:*

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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 2 CFR Part 200** - Uniform Administrative Requirements, Cost Principals, And Audit Requirements for Federal Awards

- **NSF** - National Science Foundation

- **NIH** - National Institutes of Health
SECTION D – GLOSSARY

**Asset Class** - Assigns an asset to a category which determines the useful life and depreciation schedule.

**Asset Master Record** - Contains general information, funding source, asset values and depreciation and transaction data. General information includes asset description, inventory tag number, serial number and building/room location.

**Asset Master Shell** - An Asset Master Record which does not have acquisition values posted.

**Asset Sub-Number** - An asset sub-number is used to identify the funding source(s) for an asset. Every asset has a default sub-number of 0. Additional sub-numbers are created to identify additional funding sources. For example, an asset with two funding sources has two sub-numbers, 0 and 1.

**Capital Moveable Asset** - Consists of tangible personal property that can be moved without impacting the building. Common categories include furniture, office equipment, computer hardware, audio/visual equipment, medical/lab/scientific equipment and vehicles. Criteria for capital moveable assets includes:
- Unit Cost or market value of $5,000 or more and probable useful life of at least 2 years
- Cost includes required components and accessories, installation and freight
- Cost excludes travel, training and service agreements

**Capital Moveable Asset Audit** - A physical examination of a sample of capital moveable assets assigned to a responsible cost center within the university. The audited asset data should reconcile with the data maintained in UC Flex such as: asset inventory tag number, description, serial number, physical location and serial number.

**Components or Accessories** – Equipment attachments acquired with a capital asset. The attachments may have a cost or market value of less than $5,000 each but the asset and all attachments together total $5,000 or more. However, an attachment purchased with the intent of using it interchangeably with two or more assets should be recorded as a separate asset. Attachments acquired in a fiscal year subsequent to the purchase of the asset must meet the capitalization criteria separately.
**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 Principles. The university uses the straight line method of depreciation.

**Fixed Asset** – Includes permanently attached building fixtures and equipment that cannot be removed without impacting the building. Common categories include lab fixtures, light and plumbing fixtures, mechanical equipment and safety and security equipment.

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

**Non-Capital Moveable Asset** - 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 Flex or the grant or contract requires asset tracking.

**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 transfer title (ownership) of asset(s) to the university at the end of the contract.

**Responsible Cost Center (RCC)** - The business unit that has possession of or responsibility for an asset. The **Cost Center (CC)** is the business unit where the cost and associated depreciation is recorded. The RCC and CC for an asset may be the same or may differ.