Background

To comply with state and federal regulations and governmental accounting standards, the university must maintain accurate asset records from acquisition through final disposition of an asset. This policy addresses capital asset ownership, stewardship, and reporting responsibilities.

Definitions

*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, scientific equipment, and vehicles.

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

Policy

Organizational units are responsible for stewardship of university assets under their control. Stewardship of capital assets includes basic safeguarding and physical security; compliance with university, state and federal record keeping requirements; maintaining assets in good working condition and using them safely and properly. Organizational units are responsible for ensuring that appropriate insurance coverage is in place, where such coverage is required by sponsored project agreements.

All *moveable assets* with a unit cost or market value of $5,000 or more and having a probable useful life of at least two years must be tracked in UC Flex. Some granting agencies may require assets be tracked in UC Flex for moveable assets less than $5,000. Consult specific granting agency guidelines or check with your grant administrator.
All **software** purchased from external sources with a unit cost or market value of $100,000 or more must be tracked in UC Flex. All **software** internally developed with a unit cost of $500,000 or more must be tracked in UC Flex.

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

**Asset Titling and Contractual Obligations**

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

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

**Asset Disposition**

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

**Roles and Responsibilities**

**Asset Management**

- Must maintain the UC Flex Asset Accounting module, reviewing for accurate postings of capital asset transactions.
- Must provide organizational units with inventory tags to affix to assets.
- Must review and approve Asset Acquisition and Asset Disposition 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.
- Must exercise stewardship responsibilities over assets.
- Must create asset master records in 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 change asset master records in 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 to 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 capitalized assets rests with the head of the organizational unit.

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

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

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

Asset Disposition Policy (2.1.15)
OMB Title 2 U.S. Code of Federal Regulations Part 200
Sponsored Research Services
Surplus Management
UC Flex Training Opportunities
University Board Rule 60-5-01

Phone Contacts:

Asset Management 556-3152
Surplus Management 556-5654
Enterprise Risk Management 558-5042
Sponsored Research Services 556-4817