SECTION 25.2 – Fixed Assets Procedures

Policy Sequence 25.2-000
Introduction

CSU Long Beach Foundation (Foundation) has established guidelines for inventory and capital fixed asset purchases and defined the responsibilities and obligations of the Foundation and University departments in regard to the custody and control of property including a biennial inventory verification, maintenance of accurate records, property identification (tagging) and to provide guidelines for proper handling of inventoriable property and related record keeping.

These guidelines also include gifts of real estate and art acquired with monies generated by governmental or private grants/awards or acquired as gifts which are administered by Foundation. It is the Foundation's practice to not accept gifts-in-kind unless the donor's gift is contingent upon the acceptance by the Foundation. Gifts-in-kind are usually given to California State University, Long Beach.

Fixed assets purchased with federal, state and other grant funds are expensed at the time of purchase and held in trust until the expiration of the grant or project. During the time the asset is held in trust and at the close of a project, the specific regulations applying to each individual grant and/or contract are applied. Responsibilities for application of grant and contract regulation rests with the Project Director in concert with the Director of Grants & Contracts and her/his staff. Any equipment or facilities purchased using sponsored project funds shall be accounted for managed and controlled in accordance with FAR Part 45, OMB Circular A-110 and other applicable sponsor guidelines (hereinafter REGULATIONS).

Capitalization Threshold

For purposes of this policy a fixed asset is defined as any single item with a purchase price of $5,000 or more and a useful life exceeding 1 year. Costs of general maintenance and repairs to fixed assets are booked to expense as they occur. Cost of major repairs to buildings, etc., which have the effect of extending the life of the asset are added to the value of the asset.

The Foundation’s Information Systems & Technology Coordinator (ISTC) reviews purchase orders and procurement card activity to identify assets meeting the capitalization criteria. The ISTC then contacts the project director to arrange a time for the ISTC to tag the asset.

In addition to the capitalization threshold described above, the Foundation tracks items which are theft sensitive. Theft sensitive is defined as an item with an acquisition cost of at least $500 that poses a special risk of loss due to its marketability and portability. Examples of theft-sensitive items are laptop computers, tools, audio/visual equipments, cameras, etc.

Assets purchased by the university but reimbursed by the Foundation become the property of and are tagged by the Foundation.

To ensure compliance with payment card industry standards, all purchases of credit card terminals need to be preapproved by the CSULB Foundation's chief financial officer.
Retirement of a Fixed Asset  

Policy # 25.2-020.1

Prior to disposal of a Fixed Asset, the Project Director completes the Request to Retired a Fixed Asset form (Appendix A), and forwards it to the appropriate administrator’s office for approval. Once approved, the form is sent to the ISTC, who will verify the signatures and the location of the asset. The form is then forwarded to the Grant & Contract Administrator (GCA).

The GCA reviews the source of funds to ensure the action is appropriate and allowed in accordance with the funding source and requirements of the relevant sections of the REGULATIONS (identified in paragraph 6, Purpose). The Senior Director of Grants and Contract’s approval is given in writing authorizing the disposal in accordance with the REGULATIONS. If the asset cannot be disposed of, due to sponsor restrictions, the GCA contacts the Project Director to discuss. Upon verification of compliance, the Senior Director of Grants and Contracts signs and dates the Retired Fixed Assets form identifying whether an asset is to be retired, sold, salvaged, donated or transferred to the sponsor and, if applicable, has it signed by the receiving party. The signed form is returned to the ISTC for further processing.

Disposal of all Foundation assets, whether capitalized or not, must be handled through the Foundation IST office. Equipment acquired on federally funded sponsored projects may be used for other activities that are in accordance with federal regulations. For all other assets, including lab equipment, refrigerators, freezers, etc. the same process should be followed with the exception of bringing the asset to the IST office. Arrangements will be made for pick up the asset and proper recycling/disposal.

For media retirement, all assets must be sanitized prior to disposal in order to protect the confidentiality of information and related privacy rights. For the purpose of this policy, such media shall include software and/or files from computers, USB storage, external hard drives, PDA’s and smart phones and any other electronic device which has the ability to store information. The Media Sanitization Certification (Appendix A) form must be completed and attached to the Retired form. For a complete list of items that must be sanitized, please refer to the following web site:

http://daf.csulb.edu/offices/vp/information_security/policies/elec_media_sanitz_proc.html

If the asset is no longer of use to the Foundation, it may be sold by bid or for the fair market value. Documentation of the auction results or market value determination shall accompany the journal entry.

Useful Life  

Policy # 25.2-030.1

While fixed assets purchased using externally sponsored funding are not depreciated, useful life is determined in accordance with the Foundation’s guidelines. The life span for depreciation purposes (when applicable) is 40 years for buildings with the exception to the Technology Park which is 25 years. There is 10 year life span for scientific and specialized equipment, and 10 years for furniture and electronic equipment, with the exception of computer hardware and software whose life span is 3.

Relocate or Transfer a Fixed Asset  

Policy # 25.2-040.1
Items that are moved from the original location need be reported to the IST Coordinator. If the equipment will be moved off-campus, the Fixed Assets Transfer (Appendix B), sheet needs to be signed by the appropriate administrator.

**GL Reconciliation**

*Policy # 25.2-050.1*

The ISTC completes a reconciliation of the Fixed Assets to the general ledger on a monthly basis. A report is generated with expense object codes of 510000 through 519999, 730000 through 739999, and items of $1,000 or more. The report is verified that each item is tagged. If an item does not require a tag, then it is noted in the comment section.

**Fixed Assets Inventory**

*Policy # 25.2-060.1*

Beginning April 2011, the Foundation will begin conducting a fixed asset inventory on a yearly basis. The type of inventory will alternate between a physical and electronic certification (e-cert).

The e-cert inventories are intended to provide a simple monitoring solution to help keep the system updated with current information in preparation for the following years physical inventory. It consists emailing each Project Director with a list and location of their asset(s). The Project Director will then reply from the message stating if changes are required. The adjustments will be entered to the fixed asset system.

The physical inventory consists of an email to each Project Director with the schedule and a listing of their active items. If an item does not have the correct location, then the Project Director must notify the ISTC, so it can be found during the inventory.

**First phase: (First 3 Weeks)**

*Policy # 25.2-060.2*

The first three weeks of the inventory, an independent company will assist in locating the items. The inventory crew will be assigned to designated buildings, and as the items are found, the white barcode tag will be scanned with a handheld scan gun. If there are items located in an office area which are not accessible during the day, please contact the ISTC to schedule an appointment to inventory the items.

**Second phase: (Weeks 3 through 12)**

*Policy # 25.2-060.3*

When the independent company has completed their service, they will provide a list of items that have not been found. During this second phase, the ISTC will follow-up with the contact person in charge of the fixed asset with both an email and phone call. If there is no response from the contact person, then the Project Director will be notified (assuming they are not the same person).

**Third phase: (Weeks 12 through 24)**

*Policy # 25.2-060.4*

During the third phase, the ISTC will provide the GCA with a list of Project Directors who failed to respond. The GCAs may be able to provide an alternate contact for the ISTC to contact. The IST department will try one final attempt. If there is still no response or resolution, then the actions outlined in the next section (#25.2-090.1) will be taken.
**Items Not Found During the Inventory**  
*Policy # 25.2-090.1*

If an item cannot be located, REGULATIONS related to the funding source and the useful life of the asset will be taken into consideration. If the missing asset has exceeded its useful life in accordance with (Policy # 25.2-030.1) above, then the Director of Finance and the ISTC will complete the form and retire the missing asset from the system.

If the asset still has a useful life, then the Project Director will be prohibited from using the Foundation’s Purchase Orders or Procurement Card, until the item(s) are located. Please reference the next section (Policy # 25.2-100.1) for lost or stolen assets.

**Lost or Stolen Assets**  
*Policy # 25.2-100.1*

Whenever an item in the Fixed Assets System is missing or believed to have been stolen, the project director must contact the University Police department and Foundation purchasing supervisor immediately. The purchasing supervisor will notify the Foundation’s insurance company when deemed appropriate. The “Request to Retired a Fixed Asset” (Appendix A) and “Missing Item Report” (Appendix D) must also be completed and sent to the ISTC.
Appendix A

Sequence # 25.2-400.1

Request to Retired a Fixed Asset Form

The Request to Retired a Fixed Asset Form can be retrieved at the following site:
http://www.foundation.csulb.edu/forms/retfxast.pdf
Appendix B

Sequence # 25.2-410.1

Transfer Fixed Asset Form

The Transfer Fixed Asset Form can be retrieved at the following site:

http://www.foundation.csulb.edu/forms/trafxast.pdf
Appendix C

Sequence # 25.2-420.1

Media Sanitization Certification Form

The Media Sanitization Certification Form can be retrieved at the following site:

http://www.foundation.csulb.edu/forms/media_cert.pdf
Appendix D

Sequence # 25.2-430.1

Missing Item Report

The Missing Item Report form can be retrieved at the following site:

http://www.foundation.csulb.edu/forms/missing_item.pdf