

California State University, Long Beach Research Foundation
Fixed Assets Policy & Procedures

University Research Foundation

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Fixed Asset Policy

Introduction

California State University, Long Beach Research Foundation (CSULBRF) has established guidelines for inventorial and capital fixed asset purchases and defined the responsibilities and obligations of the CSULBRF and California State University Long Beach (University) departments in regards to the custody and control of property including inventory verification, maintaining accurate records, property identification and provides guidelines for proper handling of inventorial property and related record keeping.

The CSULBRF subscribes to the property management standards as provided in the Office of Management and Budget Circular A-110 for grants and cooperative agreements. This policy assures that government property will be used only for those purposes authorized in contracts and grants.

Asset Definitions

Capitalized Equipment: Capitalized Equipment is defined as tangible, non- consumable property that is valued at \$5,000 or more with a useful life of greater than one year. The valuation (cost) of the fixed assets includes, but not limited to all expenditures reasonable and necessary in acquiring or receiving (donations) the asset including installation for its intended use, incidental charges such as sales tax, use tax, consultant services related to acquiring an item, freight, and handling charges.

All capital equipment is inventoried, tagged by the Campus Property Management Office and recorded in the Asset Management System.

Non-Capitalized Equipment: Non-Capitalized Equipment is defined as tangible, non- consumable property with a unit acquisition cost (including applicable tax and freight) of less than \$5,000. In addition, equipment purchased with grant funding valued at \$5,000 or more is also classified as non-capitalized equipment. Non- Capitalized equipment is not inventoried in the Asset Management system, and not tagged, with the exception of sensitive equipment, and equipment purchased with grant funding valued at \$5,000 or more.

Sensitive Equipment: Equipment that is not capitalized valued at less than \$5,000 and includes the following:

- Firearms – equipment delegated to University Police for tracking and tagging
- Motorized vehicles – equipment registered with the Department of Motor Vehicles
- Portable Computing Devices containing Level 1 data approved to be saved on the hard drive by Level 4 Appropriate Administrator or above.

Sensitive equipment, excluding firearms, will be inventoried, tagged by the Campus Property Management Office and recorded in the Asset Management System. Portable Computing Devices containing Level 1 data will only be tagged by the Campus Property Management Office with the written approval of the Appropriate Administrator Level 4 or above. It is the responsibility of the CSULBRF to notify the Campus Property Management Office if sensitive equipment, approved to contain Level 1 confidential data has been acquired. Details on

confidential data can be found at:

http://daf.csulb.edu/offices/vp/information_security/information_classification_standard.html or by contacting the Office of Information Security at 562- 985-4818.

Acquisition of Fixed Assets

Federal and Government Grants/Contracts

Assets purchased with federal, state and other grant funds are expensed at the time of purchase, held in trust and vested in CSULBRF until the expiration of the grant or contract. At the close of a grant or contract, the specific regulations applying to each individual grant and/or contract are applied.

Responsibilities for application of grant and contract regulation rests with the Principal Investigator or Project Director (PI) in concert with the Office of Research and Sponsored programs. Any equipment or facilities purchased using funds from Federal agencies shall be accounted and adhere to federal regulations contained in 2CFR 215 Section 34 {formerly known as Office of Management and Budget (OMB) Circular A-110 – Uniform Administrative Requirement for Grants and Agreements with Institutions of Higher Education, Hospitals and other Non-Profit Organizations} and other applicable sponsor guidelines.

Donations

Unless specified otherwise by the donor, gifts of fixed assets (gifts-in-kind) are usually accepted by the University.

Unrestricted Funds

Fixed Assets purchased from CSULBRF's unrestricted funds are capitalized and depreciated over the useful life determined in accordance with the CSULBRF's guidelines.

Depreciation

Fixed assets purchased by the CSULBRF (except those purchased by grant or contract funds) are depreciated in accordance with GASB accounting standards.

Property Maintenance and Security

The PI is responsible for ensuring that all CSULBRF property is properly maintained and secured. Precautions to be taken to protect against the loss of property include, but are not limited to, the following:

- Use of locking devices (desk drawers, security cabinets, desk or table lock-down devices);
- Immediately reporting missing or stolen items to the University Police Department and the CSULBRF;
- Ensuring a property tag is affixed to property inventory.

Personal Use of CSULBRF Property

CSULBRF property is not for personal use. All CSULBRF property is to be utilized in the most effective and efficient manner possible towards the accomplishment of CSULBRF goals and objectives. It is to be used only for CSULBRF purposes and may be taken off-campus for CSULBRF purposes only. Assets purchased from the federal grant/contract shall comply with the regulations and any applicable

sponsor guidelines.

Guidelines in Determining Ownership of Assets

Building Capital Improvement on State Owned Property and Leasehold Improvements

Any permanent capital improvements on the state owned property funded by CSULBRF will become an asset of the university. CSULBRF will transfer funds to a University Capital project account and the university will pay for all costs related to the building improvements. For example; room addition, replacement of new HVAC or boiler, etc.

Buildings or other improvements constructed on property leased by CSULBRF should be capitalized as Leasehold Improvements and depreciated over the remaining life of the lease or the estimated useful life of the building, whichever is shorter; or over 5 to 10 years depending on the nature of the improvement and the type of lease.

Furniture and Equipment

Furniture and equipment purchased from the CSULBRF General Fund (Fund GF) for use in CSULBRF's operations will remain as CSULBRF assets. Furniture and equipment purchased from a CSULBRF Grant or Contract Fund (Fund G) for use in grant and contract operations will be tracked in the CSULBRF Asset Management System as a non-capitalized item during the life of the project. Furniture and equipment purchased from all other CSULBRF funds (Funds M, AT, RS, and C) will be transferred to the University upon acquisition.

Sale/Disposition/Transfer/Stolen Property (Excluding Grants and Contracts)

Sale and Disposition of Fixed Assets

A Level 4 (or above) Appropriate Administrator must approve sales and/or disposition of fixed assets from any fund under their authority. Fixed Assets that are no longer needed may be transferred to the university or sold.

Transfer of Fixed Assets

A Level 4 (or above) Appropriate Administrator is responsible for notifying the Campus Property Management Office of all equipment transfers as they occur. If the asset is to be transferred to the university, the Campus Property Management Office will ensure that appropriate documentation is collected and that the asset modules for both organizations are updated accordingly.

Sale/Auction

Property that is deemed suitable for sale by the CSULBRF will be sold via auction. Auction proceeds distribution is determined by the CSULBRF. Pick-up charges will apply when special handling is required.

Donation

Property that is deemed suitable for donation by the CSULBRF will be donated as appropriate for the item to educational institutions, public agencies, and non-profit organizations.

Salvage/Junk

CSULBRF property that is deemed useless, unsalvageable or dangerous will be discarded. The Campus Property Management Office will coordinate with the campus e-waste program for proper disposal.

Lost, Missing or Stolen Property

Lost, missing, or stolen property must be immediately reported to the CSULB University Police Department. Lost, stolen or destroyed property must also be reported to the CSULBRF Chief Operating Officer, or Chief Executive Officer within one business day. The Campus Property Management Office will be notified immediately of all lost, missing or stolen electronic computing devices and/or electronic media storage devices.

When items are determined for Sale, Auction, Donation, Salvage/Junk, Missing/ Stolen, or Transfer to Other Agency, the Fund Owner must complete "The Property Survey/Transfer Request Form" (http://daf.csulb.edu/forms/financial/procurement/property_management/Propertyurveytransferrequest.php), and recommend a disposal method per item listed on the form and forward to the Campus Property Management Office within 30 days.

Disposition of Fixed Assets – Grants & Contracts

Transfer, Return to Funding Agency, or Dispose

Assets purchased from either a grant or contract ("G" Fund) is intended for the exclusive use of the project during the period of the award. After the grant or contract has concluded, in most instances, the asset will be either transferred to the university or returned to the funding agency. As part of the close-out procedure of a grant or contract, the Grants and Contracts Administrator (GCA) shall provide the Campus Property Management Office written notice of the required disposition of any assets acquired by the project.

If the property will transfer to the University, A Level 4 (or above) Appropriate Administrator is responsible for notifying the Campus Property Management Office. The Campus Property Management Office will ensure that appropriate documentation is collected and that the asset modules for both organizations are updated accordingly.

If the property must be returned to the funding agency, the Campus Property Management Office will contact the funding agency and arrange for the return.

If the funding agency does not require the property to be returned, and the University declines transfer of the property, the property will be sold. Property that is deemed useless, unsalvageable or dangerous will be discarded. The Campus Property Management Office will coordinate with the campus e-waste program for proper disposal.

Lost, Missing or Stolen Property

Lost, missing, or stolen property must be immediately reported to the CSULB University Police Department. Lost, stolen or destroyed property must also be reported to the CSULBRF Chief Operating Officer, or Chief Executive Officer and the Office of Research and Sponsored Programs within one business day. The Campus Property Management Office will be notified immediately of

all lost, missing or stolen electronic computing devices and/or electronic media storage devices.

When items are determined to be Lost, Missing/Stolen, or Transfer to Other Agency, the Fund Owner must complete “The Property Survey/Transfer Request Form” (http://daf.csulb.edu/forms/financial/procurement/property_management/PropertySurveytransferrequest.php), and recommend a disposal method per item listed on the form and forward to the Campus Property Management Office within 30 days.

Electronic Media Sanitization Certification

Per the University Information Security Management and Compliance Electronic Media Sanitization process, all electronic data must be properly sanitized prior to the release of custody.

Media Sanitization certification by the Department IT Coordinator is required for all media storage devices (i.e., hard drives, workstations, laptops, copiers) which are surveyed. The coordinator is to certify and specify the media sanitization process for each qualified item on the Property Survey/Transfer Request Form

(http://daf.csulb.edu/forms/financial/procurement/property_management/PropertySurveytransferrequest.php). The available sanitization options are as follows:

- Data has been overwritten
- Hard drive has been removed for destruction/degaussing
- Not applicable. No data storage on electronic computing device

A copy of the media sanitization certificate

(http://daf.csulb.edu/forms/financial/procurement/property_management/media_sanitization_cert.pdf) is to be attached to “The Property Survey/Transfer Request Form”.

Fixed Assets Procedures

Receipt & Tagging of Property

The University’s Central Receiving will tag CSULBRF capitalized assets, non- capitalized assets purchased with grant funding, and portable computing devices containing Level 1 data approved to be saved on the hard drive by Level 4 Appropriate Administrator or above, whether the assets are received at the warehouse, or purchased off-site and delivered directly to CSULBRF or the project location. These assets will be recorded in the Asset Management (AM) system by the Campus Property Management Office.

Fixed Assets Physical Inventory

Assets purchased with federal funds conforming to 2CFR 215 Section 34 of the Code of Federal Regulations require a physical inventory at least once every two years. The remaining inventoried assets follow the university procedures of every three years. Prior to the physical inventory, the CSULB Property Management sends an email notification to the PI that includes the listing of their active assets and the scheduled timeframe of the physical inventory.

The physical inventories are conducted by the Campus Property Management Office. The Campus Property Management Office is responsible for tracking the assets that have been identified and located in the designated area.

The Campus Property Management Office will schedule appointments for items located off-site or in a locked area. If a response has not been received by the PI or custodian after multiple attempts, then the contact person for the item will be escalated to the next level of authority. When the Campus Property Management Office has completed the inventory of assets, they will create a list of items that have not been found, and a list of items with the wrong location codes.

The Campus Property Management Office is responsible for resolving the discrepancies on the missing item list and updating the system to the new location code. Any asset on the inventory listing which is not found will require submittal of the appropriate documentation (i.e. The Property Survey/Transfer Request Form and Missing Item report) as defined in the CSULBRF procedures. (http://daf.csulb.edu/forms/financial/procurement/property_management/Property_surveytransferrequest.php)

Responsibility for Property – Delegation of Authority

When multiple attempts in contacting the PI and/or their custodian have been unsuccessful, or the PI is no longer working on campus, the next level of authority shall be contacted. The first level of contact is the PI and/or their custodian. They are primarily responsible for the custody, care, and control of the property.

If there is no response at the first level, then the requests need to be escalated to the next level, which contains the department's chair or Administrative Services Manager (ASM). The contacts at this level have the internal knowledge of faculty and staff assigned to their designated department.

Property Classifications

The following definitions identify the "type" of property and provide the tracking requirements (tagging and financial reporting).

CSULBRF Property is comprised of the following:

1. Inventory: All tagged property
 - Capitalized: \$5,000 or above
 - Non-Capitalized: \$5,000 or above and purchased with grant funding
 - Non-Capitalized Sensitive Equipment: Less than \$5,000; Portable Computing Devices containing Level 1 data approved to be saved on the hard drive by Level 4 Appropriate Administrator or above.
2. Non-Inventory: All non-tagged property
 - Non-Capitalized: Less than \$5,000.

Capitalized equipment is a tangible, non-consumable property that meets all of the following criteria:

- A unit acquisition cost (including applicable tax and freight) greater than or equal to \$5,000;
- An estimated life of greater than one year;
- Not permanently attached to or incorporated into the University buildings and grounds;
and

- Used to conduct CSULBRF business.

Non-Inventory items are non-tagged property, and property that is non-capitalized, with the exception of sensitive equipment, and equipment purchased with grant funding.

Works of Art

Works of art are collections or significant individual items having historical or cultural value that are held for public exhibition, education or research as part of a public

Service rather than for financial gain. In general, these items possess a quality that makes them worth more than their utility value. Should any such items be sold, the proceeds from the sale of such items should be used to acquire similar items.

Exhaustible Works of Art are collections or items whose useful lives are diminished by display, educational or research applications. Exhaustible collections are depreciated.

Inexhaustible Works of Art are collections or items whose economic benefit or service potential is used up so slowly that the estimated useful lives are extraordinarily long. Because of their historical or cultural value the asset is protected and preserved more than that for similar assets without such value. Inexhaustible items are not depreciated.

Works of Art shall be valued based on the following:

- Purchased items shall be valued based on the purchase price.
- Donated items shall be valued based on the appraised value at the time of donation. The donor shall be responsible for providing a qualified appraisal for any item valued at \$5,000 or more. CSULB University Relations and Development shall add donated Works of Art to the Advance system based on the donor-provided appraisal as well.
- The valuation used at the time of acquisition shall remain the value used in the Fixed Asset system regardless of reappraisals occurring later.

Only Works of Art with an appraised value of \$5,000 or more shall be added to the Asset Management system. At the time of donation, the University Controller will determine if the item should be added to the Asset Management system and will notify the Campus Property Management Office accordingly. The University Controller will identify the number of items to record in the Asset Management system and the value of each. At the end of each fiscal year, the University Controller will reconcile the Works of Art recorded in the URD Advance system to the University Asset Management system. If additional insurance is needed for any Works of Art, the CSULBRF Chief Operating Officer will work with the appropriate parties to secure the coverage.

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