



UNIVERSITY EQUIPMENT

Authority:	Vice Chancellor for Business Affairs
History:	Effective September 20, 1994; Updated October 16, 1995; Updated September 12, 1996; Updated July 1, 1999; Updated July 1, 2006; Updated January 1, 2008 and October 1, 2008; supersedes former Administration Policy No. ACG2.60, “University Equipment”
Source of Authority:	Office of State Purchasing and University Business Practices
Related Links:	Equipment Temporary Check-Out List; Fixed Asset Account Codes
Responsible Office:	Purchasing Services – Fixed Assets

I. Purpose

This policy/procedure is designed to comply with state regulations and guidelines and to assist management in carrying out their responsibilities regarding the accountability for university equipment, including:

- A. Reporting of changes in equipment status
- B. Temporary relocation of equipment
- C. Tracking of fixed assets

II. Scope

Applies to all university departments and activities utilizing equipment purchased with state/grant funds, equipment furnished by sponsoring agencies through external contracts or grants with the university, or equipment donated to the university.

III. Purpose

A. Definitions

1. University Equipment

For purposes of this policy, university equipment is defined as non-consumable, movable items with a useful life of one year or more. Equipment items are used in normal departmental operations and are not for resale purposes. Equipment items are generally complete in themselves (i.e., do not become a component item and do not lose their identity).

2. Fixed Assets

For purposes of this policy, fixed assets are defined as those non-consumable university equipment items with a useful life of one year or more and a cost of \$2500 or more. Computers are considered fixed assets regardless of cost.

3. Fixed Asset Determinations

In determining whether equipment meets the fixed asset definition (i.e., cost exceeds \$2500 or it is a CPU or laptop computer):

- a. For donated equipment items, the fair market value at the time of donation determines whether the item meets the fixed asset definition.
- b. For other equipment items, the initial acquisition cost determines whether an item meets the fixed asset definition. The initial acquisition cost includes the total of the following, if all these costs are on the same initial order:
 - 1) Purchase price of the equipment;
 - 2) Reasonable and necessary expenses (such as shipping charges, tax, start-up or installation if applicable) to prepare the equipment for its intended use, and
 - 3) Accessories and component parts (excluding software) for the equipment.
- c. To meet the fixed asset definition, the total of these costs must equal at least \$2500 or be a computer.
- d. Items with an initial acquisition cost of less than \$2,500 are not defined as fixed assets, even when a subsequent addition or improvement to the equipment item causes the cost to exceed \$2500. Computer peripherals will not change the fixed asset acquisition cost either.

B. Accountability for University Equipment

The individual charged with budget and expenditure authority (hereafter called the Custodian) is responsible for the appropriate use, safeguarding, and tracking of all university equipment assigned to his/her respective department, whether or not the equipment meets the fixed asset definition.

C. Fixed Asset Tracking and Tagging

1. All university equipment meeting the fixed asset definition is tracked in the university's computerized fixed asset system by Fixed Assets. A UNCW fixed asset tag number is attached or assigned to such equipment for inventory and identification purposes. If equipment meeting the fixed assets definition is not tagged within a reasonable time after receipt, the owning department is responsible for notifying the Fixed Assets Assistant. Once items have been tagged, it is important not to remove, relocate, or damage fixed asset tags.
2. Equipment not meeting the fixed asset definition (i.e., cost is under \$2500 or is not computer) is not tracked in the university's computerized fixed asset system and a fixed asset tag number is not attached or assigned to the equipment, even when a subsequent addition or improvement to the item causes the cost to exceed \$2500. However, such equipment items are considered state property and the Custodian is responsible for this equipment which is subject to random selection for audit.

D. Receipt of Equipment as a Gift

All non-cash gifts to the university shall be coordinated with University Advancement prior to receipt in accordance with UNCW Policy 09.100 Organization and Administration of Fundraising. If university tracking of the gift is required, the Director of Purchasing Services, in cooperation with the department receiving the gift, is responsible for establishing the fair market value of the gift for reporting purposes.

E. Grant Equipment

Grant equipment is managed separately by the Department of Sponsored Programs until assigned to the university at the end of the grant period. The Department of Sponsored Programs must approve any change in the status of grant-supported equipment. Prior to the transfer of grant-supported equipment, the Office of Sponsored Programs should be consulted, as the sponsor may have imposed restrictions on the use of such equipment.

F. Fixed Asset Inventory and Audit

Departments are required to perform a physical inventory of fixed assets on an annual basis. During the year, the Internal Audit Office or Fixed Assets may perform random audits to ensure university compliance with state regulations.

G. Changes in Fixed Asset Listings

The Custodian is responsible for notifying Fixed Assets via a Movable Equipment form whenever fixed asset items are transferred to another department or relocated so that fixed asset records may be appropriately adjusted. In addition,

the Custodian is responsible for notifying Fixed Assets in accordance with the guidelines listed below when any equipment items are sent to Surplus Property for disposal, lost, stolen, or traded in.

H. Disposal of University Equipment Through Surplus Property

University equipment (including software media) that is no longer needed by a department cannot be thrown away or discarded. If not transferred directly to another university department, all university equipment regardless of cost must be sent to Surplus Property for disposal. A Movable Equipment form is required to handle the disposal through Surplus Property, whether or not the equipment has a fixed asset tag. (See below for additional information on the disposal of software.)

I. Lost or Stolen Equipment

1. The Authorized University Official is responsible for notifying University Police immediately if equipment is lost or stolen, whether or not the equipment has a fixed asset tag. In addition, a Movable Equipment form must be prepared and forwarded to Fixed Assets, with the police report attached. The Fixed Assets Assistant will report missing equipment to the Senior Officers. (See UNCW Policy 02.300 'Reporting and Investigating Misuse or Theft of University Property' for additional information concerning the theft of university property.)
2. A list of all missing university equipment is circulated in conjunction with the annual physical inventory of fixed assets for two years. If any missing equipment is found, departments are responsible for notifying the Fixed Assets Assistant.
3. Missing fixed assets that are reported as lost remain on the department's fixed asset inventory until the missing equipment list has been circulated with the annual physical inventory the second year. If not found at that time, the equipment is declared permanently lost and removed from the department's fixed asset inventory.
4. Fixed assets reported as stolen are immediately removed from the department's fixed asset inventory.

J. Replacement or Trade-In of Equipment

1. When equipment items are returned to the vendor for repair or replacement, departments must handle such returns through Purchasing Services, in accordance with UNCW Policy 'Outgoing Departmental Shipments'.
2. When an equipment item is traded in, the department must notify Fixed Assets on a Movable Equipment form if either the cost of the old item or the cost of

the new item (including the trade-in allowance) meets the fixed asset threshold of \$2,500 or is a computer in order that the fixed asset records may be adjusted.

K. Temporary Relocation of Equipment

1. Departments are required to maintain a current record of any temporary relocation (using the Equipment Temporary Check-Out List or comparable form – see Related Links) whenever equipment is removed from the custody of the department or the employees to which the equipment is normally assigned, regardless of whether or not the equipment meets the fixed asset definition.
2. Equipment may be temporarily relocated with prior department head approval. Except for repairs, the temporary removal of equipment is authorized only for university departments, employees, or for members of the SGA (when SGA equipment is involved). Off-campus use should be for work on a university assignment.
3. Removal of university equipment for off-campus use without department head approval may result in the individual being prosecuted for misappropriation of state property and/or larceny. University equipment used off campus or loaned to another campus department or activity is subject to immediate return if requested by university officials, state auditors, or other state agencies.

L. Personal Use

Items purchased with university funds are the property of the state and are not intended for personal use.

IV. Procedures

A. Purchase of University Equipment

1. Purchase equipment items in accordance with UNCW Policy 05.152.
2. To facilitate university tracking of fixed assets, use the correct object code. To obtain the correct object code, refer to the Expenditure Codes List on the UNCW Chart of Accounts, which is available by accessing the Fixed Asset Account Codes (see Related Links). For additional assistance in determining the appropriate object code, contact the Fixed Assets Assistant.
3. When requisitioning additional component parts (not replacement parts):

- a. Accessories and component parts that are purchased on the same initial order as the equipment item may be included in the original cost of the equipment and charged to a 5XXX object code.
- b. For component parts purchased on a subsequent order, note the original fixed asset tag number.
- c. Contact the Fixed Assets Administrator for any additional questions or if assistance is needed in ascertaining which component items compose the equipment to be purchased and/or tagged.

B. Permanent Changes in Equipment Status

1. The listing provided by Fixed Assets is the official record of fixed assets for which the department's authorized university official is responsible.
2. When fixed asset items are permanently transferred to another department or relocated, or when any equipment items are lost, stolen, traded in, or sent to Surplus Property, prepare a Movable Equipment form to notify the Fixed Assets Assistant so that appropriate records may be adjusted.
3. Attach documentation as specified on the Movable Equipment form, and distribute the form as indicated.
4. If Moving Services is needed to move equipment to any location other than Surplus Property, also submit a Moving Services Request. A Moving Services Request is not needed when items are sent to Surplus Property.
5. Before allowing the equipment to be removed, obtain the signature of Moving Services (or, if applicable, another individual who is removing the equipment) on the departmental copy of the Movable Equipment form.

C. Special notes concerning computer software:

1. Software media is considered university equipment and, as such, cannot be thrown away or discarded. Departments may destroy software licenses when software is no longer needed but must send software media (diskettes, CDs, etc.) to Surplus Property for disposal, regardless of the cost of the software. Software sent to Surplus Property will be destroyed, rather than offered for transfer or sale.
2. Departments wishing to transfer a software package directly to another department must obtain necessary approvals, if applicable, from the manufacturer and record the transfer of ownership, as appropriate.

D. Temporary Loans or Transfers of Equipment

Whenever equipment items are temporarily removed from the custody of the campus department or employee(s) normally assigned the equipment, maintain a record of the equipment removal and return by using the Equipment Temporary Check-Out List (see Related Links) or a similar record. Obtain signatures for both check-out and return of the equipment. This record may be reviewed during an audit.

E. Annual Physical Inventory of Fixed Assets

1. Each year by April 15, the Fixed Assets Assistant provides a fixed asset listing to each Authorized University Official, itemizing all fixed assets for which he/she is accountable.
2. The Authorized University Official conducts the physical inventory and records any changes on the listing as follows:
 - a. Additions (Attach relevant documentation.)
 - b. Location changes within the responsible department
 - c. Equipment transferred to the responsibility of another department and/or Authorized University Official (Attach a Movable Equipment form)
 - d. Equipment placed in surplus (Attach a Movable Equipment form.)
 - e. Equipment trade-ins (Attach a photocopy of the Purchase Order and a Movable Equipment form.)
 - f. Lost or stolen equipment (Attach a police report and a Movable Equipment form.)
3. By May 31 each year, the Authorized University Official will need to sign and return the completed fixed asset listings (in numerical order format by tag number) to the Fixed Assets Administrator. If listings are not returned within two weeks, the Fixed Assets Administrator will send a second request to the department, with a copy forwarded to the appropriate Dean or Vice Chancellor. Delinquent listings after the second request are referred to the Office of the Vice Chancellor for Business Affairs.

F. Adjustments to Fixed Assets Records After Physical Inventory

The Fixed Assets Assistant will adjust the university records to reflect the results of the inventory and will make on-site verifications as necessary. A corrected listing will be returned to the department by September 30. This listing is for

departmental information only and does not need to be returned to the Fixed Assets Assistant unless corrections need to be made.

G. Requests for Additional Fixed Asset Listings

In addition to the annual fixed asset listing, the Authorized University Official may submit a request to the Fixed Assets Administrator to generate additional fixed asset print-outs at any time there is a need to review or verify the fixed assets for which he/she is accountable.