

Dixie State University Policy

225 Equipment Inventory Control Systems



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I. Purpose

- 1.1 To establish general procedures for the control of equipment owned by or in the custody of Dixie State University.
- 1.2 To satisfy the requirements of the Board of Regents and state government to properly account for equipment.
- 1.3 To satisfy the requirements of the federal government concerning control over government property for which the University is responsible and accountable.
- 1.4 To record and have readily available, pertinent information regarding each item of inventorial equipment throughout its useful life and ultimate disposition.
- 1.5 To provide for the valuation of equipment on the basis of original cost of purchases or at appraised value for gifts.
- 1.6 To insure that equipment items are properly recorded in the fiscal records of the University.

II. Definitions

- 2.1 Property - The following words and phrases pertain to property and its definition:
 - 2.1.1 Real Property - Includes the following:
 - 2.1.1.1 Land (and whatever is erected or growing upon or affixed to land) and right therein.

- 2.1.1.2 Ground improvements.
- 2.1.1.3 Utility distribution systems.
- 2.1.1.4 Buildings or other structures and improvements.
- 2.1.2 Personal Property - A generic name for any movable item subject to ownership; not real property, but equipment.
- 2.2 Title - Title to or ownership of equipment which is vested in the University whether purchased with departmental funds or other college controlled funds.
- 2.3 Fixed Asset Custodian - The Dean, Department Head, Division Head, or other Budget Administrator who is responsible and accountable for the control and maintenance of the equipment.
- 2.4 Inventorial Equipment
 - 2.4.1 College-owned equipment which meets any of the following criteria:
 - 2.4.1.1 Has an acquisition cost of \$3000 or more
 - 2.4.1.2 Is a computer of any value
 - 2.4.1.3 Is a gift with a value of \$500 or more and meets all of the following criteria:
 - 2.4.1.3.1 Has a normal life expectancy (useful life) of one year or more.
 - 2.4.1.3.2 Is College personal property (free standing).
 - 2.4.1.3.3 Has an identity which does not change with use.
- 2.5 Government-owned equipment is equipment which meets the above criteria and/or any other criteria which the government imposes. Government equipment does not lose its identity as personal equipment by reason of affixation to any real property.
- 2.6 Fabricated Property-Inventorial equipment which employees of the University have assembled from finished parts and pieces.
- 2.7 Federal Surplus Equipment - Property which has been screened by all federal agencies and is generally made available to eligible institutions through the Utah State Agency for Surplus Property.

- 2.8 Orphan Equipment - Equipment discovered either by the Purchasing Department or a custodial department, which is not on the current inventory list or directly under the control of the state or federal government.

III. Responsibility

- 3.1 The College is responsible for all the equipment to which it holds title. Custodial responsibility for other property rests with the College to the extent that it has explicitly agreed to accept responsibility therefor.
- 3.2 The responsibility for the care and custody of property belongs to the Fixed Asset Custodian. The custodial department provides for the care necessary to maintain the property in the condition received, normal wear expected, in order that the most useful life is secured.
- 3.3 The Director of Purchasing is responsible for the administration and implementation of the property inventory control system on the campus and other areas under his/her jurisdiction. It is the responsibility of the Director to:
 - 3.3.1 Formulate and promulgate the general policies and procedures necessary to maintain a uniform equipment control system for all equipment owned by or in the custody of the College.
 - 3.3.2 Direct the maintenance of adequate records of inventorial equipment and in the identification and tagging of equipment.
 - 3.3.3 Inform fixed asset custodians of their obligations for the care, safekeeping, and disposal of the inventorial equipment under the control of their respective department or units.
 - 3.3.4 Insure that adequate protection is provided for equipment owned by the College and for equipment items in its custody. Provide insurance for equipment owned by the college and for items in its custody.

IV. Valuations and Recording of Acquisitions

- 4.1 Acquired by Purchase Order. Acquisitions of inventorial equipment acquired by purchase order are recorded on the computerized fixed asset system and valued at cost.
- 4.2 Acquired by Gift. Acquisitions of inventorial equipment acquired by gift are recorded on the fixed asset system, and tracked for a minimum of two years.
 - 4.2.1 The date the gift is accepted is considered the date of acquisition. The value of the gift is the appraised value of the gift at the date of

acquisition.

- 4.2.2 If no appraisal is available on a gift, the Institutional Advancement Office, with the help of the department receiving the gift, will be responsible to see that the value of the gift is established.
- 4.2.3 The Institutional Advancement Office will report within 30 days to the Purchasing Department the date of acquisition, the description, name of the item, established value, and any other information which may be required.
- 4.3 Fabricated Property. Inventorial equipment which has been fabricated by a department is reported to the Purchasing Department by the using department. The using department will provide, within 30 days, the date of fabrication, the description, name of the item, established value, and any other information which may be required.
- 4.4 Orphan Equipment. Orphan equipment is recorded and assigned to the Using or Custodial Department. The value is estimated by the Purchasing Department. The date found is used as the date received.
- 4.5 Surplus Property. All equipment items acquired from the State Agency for Surplus Property, and assessed by that organization at a fair value of \$3000 or more, are recorded on inventory records. The department acquiring surplus property is to report this to the Purchasing Department and provide, within 30 days, the date of acquisition, the description, name of the item, established value, and any other information which may be required.

V. Identification of Property

- 5.1 Identification of College Property. All inventorial property is identified and marked with a property identification number.
 - 5.1.1 It shall remain so identified as long as it is in the custody, possession, or control of the College. Such markings and identification are removed or obliterated from the property only when sold, scrapped, or otherwise disposed of.
 - 5.1.2 Assigned identification numbers are recorded on the fixed asset system.
- 5.2 Attachment of Identification Number. The application of the identification number to the equipment is the responsibility of the Purchasing Department. However, this function may be delegated to a campus department where deemed necessary.

- 5.2.1 The identification number is applied to the actual unit unless its size or nature makes it impractical.
- 5.2.2 A tag bearing the property number may be affixed to the equipment adjacent to the manufacturer's name plate or in an easily seen position.
- 5.2.3 If additional identification is required by the using department, it shall be applied in a manner that will avoid confusion with the property identification number.
- 5.2.4 Should the identification number be accidentally or mistakenly obliterated, defaced, or removed, the equipment shall be marked again with the original number.

VI. Physical Inventories

- 6.1 Each year, the Purchasing Office will send to the custodians a computer listing of all equipment items as reflected on the official inventory records of the College.
- 6.2 The Custodial Department will arrange, upon receipt of the computer listing, to take a physical inventory.
 - 6.2.1 The Fixed Asset custodian will verify the physical presence of all assets on the provided list. Information on each column will be checked for accuracy. All items which are correct as they appear will be marked "OK as is."
 - 6.2.2 Changes to description, model or serial number, building or room number may be written on the computer listing.
 - 6.2.3 Changes of custodian or disposal of equipment by any means must be made on the "Inventoried Equipment Change Form." A list of all authorized custodians is available from the Purchasing Department.
 - 6.2.4 Verified changes will be entered into the computerized fixed asset system by the Purchasing Department.
- 6.3 The Purchasing Department will verify the accuracy of the department's equipment inventory by physical inventory checks on the basis of statistical sampling. If it is apparent that there are some difficulties or gross discrepancies, the Purchasing Department will arrange for a complete physical inventory of that department as soon as possible.
- 6.4 A physical inventory audit of all equipment of the College as reflected on the

fixed asset system will be made on a continuing basis by the Purchasing Director so that a complete audit of equipment will be accomplished at least every five years.

VII. Disposal or Transfer of College Equipment

- 7.1 When equipment disposal is approved, the custodian will notify the Purchasing Department using the "Inventoried Equipment Change Form." The custodian will then remove the inventory identification number, attach it to the change form and forward it to the Purchasing Department for final disposal.
 - 7.1.1 Permission to dispose of any Dixie State University equipment with an established value of \$200 or more may be granted only by the Director of Purchasing. Normally, disposal is accomplished by sending equipment to a surplus sale. Departments desiring to dispose of equipment by any method must request approval in writing either by using the "Inventoried Equipment Change Form" or by memo which includes the current custodian's signature. For more information regarding surplus property, refer to 135 Surplus Property.
 - 7.1.2 Transfers of equipment from one custodian to another are to be recorded on the "Inventoried Equipment Change Form" which must be signed by both the present and new custodian. The completed form is to be forwarded to Purchasing within 5 working days.
 - 7.1.3 Trading of equipment for other equipment or services must be approved in writing by the Director of Purchasing.

Policy Owner: VP Administrative Affairs

History:
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