

**CLOVER PARK TECHNICAL COLLEGE
PROCEDURE**

CHAPTER	SECTION	TITLE	HISTORY		
			3	10P	ACCOUNTING FOR FIXED ASSETS
			Revised 2020	Next review 2023	

A. Definitions:

1. **Fixed Asset:** Fixed assets (also referred to as property, plant, and equipment) include all items purchased in support of the college’s continued and long-term mission. Fixed assets include land, buildings, infrastructure, library resources, and equipment with an initial expected useful life extending beyond one reporting period. Investments, cash, certain intangible assets, items held for resale and inventories are not considered fixed assets.

2. **Capital Asset or Capitalized Fixed Asset:** A fixed asset which costs in excess of the minimum threshold established by OFM in the year of purchase. Such assets are depreciated over their useful lifetimes. Land is not included in this category since the useful lifetime is not calculable.

3. **Small and Attractive Asset:** This type of fixed asset is characterized by its portability, desirability, and therefore its vulnerability to loss. Such assets have a significant value outside the program and could easily be resold.

The College, in compliance with OFM guidelines, will identify as small and attractive those fixed assets which, in the year of purchase, cost less than the minimum threshold established by OFM for capitalizable assets and more than the minimum unit cost required in Section 30.40.20 for Small and Attractive assets. These include:

- a. Weapons, firearms, signal guns, and accessories;
- b. Motor Vehicles;
- c. Optical devices, binoculars, telescopes, infrared viewers, rangefinders, microscopes if the value exceeds \$1,000;
- d. Cameras and projection equipment if the value exceeds \$1,000;
- e. Mobile computer equipment (laptops, notebooks, smart phones, and tablets) if the value exceeds \$300;
- f. Other IT equipment and components if the value exceeds \$1,000;
- g. Television monitors and video equipment if the value exceeds \$1,000;

And other equipment not listed above, as determined by Purchasing.

4. **Inventory:** Refers to the process of verifying the location and counts of fixed assets. The term “inventory” is often used to describe fixed assets, so this should not be confused with traditional inventories of merchandise held for resale.

5. Custodian: The individual or department responsible for each fixed asset.

B. **Application:** In the remainder of this Procedure, “fixed assets” refers to the fixed assets described in A.2 (capital/capitalized) and A.3 (small and attractive) above. Only these fixed assets are tagged and tracked in the Finance department’s college-wide accounting system. Other fixed assets are not necessarily tagged but are monitored and safeguarded separately, such as technology purchases (under procedures developed by the Information Technology department) and assets purchased by or for specific departments (by those departments under their procedures).

C. **Roles and Responsibilities:**

1. The Finance Office will:

- a. Enter assets into the inventory management system;
- b. Administer the policies and procedures regarding fixed assets and buildings;
- c. Prepare required reports for the State Board for Community and Technical Colleges (SBCTC);
- d. Perform random audits of assets, so long as all assets are observed at least once every two years;
- e. Report audit conditions and findings to management for review;
- f. Control the asset label stock.
- g. Complete a monthly reconciliation of inventory in the system, including newly purchased, transferred, lost, or surplus items.

2. The Office of Information Technology will:

- a. Review and approve all technology purchases and donations;
- b. Deliver and install all technology related property;
- c. Monitor and control all technology property placement to ensure efficiency of use;
- d. Approve all requests for technology property transfers or surplus as requested on 101 forms, which are then forwarded to the Finance Office.
- e. Inventory IT related assets.

3. The Custodian will:

- a. Safeguard assigned fixed assets. Custodians may be held personally liable for assets held under their care;
- b. Be responsible for the accuracy and timeliness of accounting for assigned assets;
- c. Complete, or prepare for, a physical count when requested by Finance. This may include gathering small items into a central location to facilitate the counting process;
- d. Report any change in assets to Finance on a 101 form (lost, stolen, transferred, surplus, disposed or otherwise consumed). Equipment may not be transferred without the 101 form.

D. **Process:**

1. Comparison of fixed assets and additions/deletions to records in the inventory management system: All fixed assets will be identified upon purchase by Purchasing, who assigns and keeps records of the asset tag number(s). Receiving records all necessary information on the "Inventory Add Sheet" and places the asset tag per guidelines. Finance reviews the "Inventory Add Sheet" and enters the item into the system.
2. Donated Assets: All items donated to the College must be received through the Foundation. See Chapter 1, Section 6, Gift Acceptance Policy.
3. Removal/disposal/transfer/surplus of fixed assets: When a fixed asset is moved, lost, transferred, or surplused, the custodian of the asset must complete a 101 Form and forward it to Finance no more than five (5) working days from item movement or recognized loss. Finance records information on the 101 Form in the system.
4. Stolen Assets: When it appears that a fixed asset has been stolen, Security and Finance must be notified. Security will complete an internal incident report and may contact local law enforcement to file a crime report. Both reports are then forwarded to Finance. The custodian of the asset must complete a 101 Form and forward it to Finance no more than five (5) working days after the theft was noticed. Finance will contact the State Auditor's Office (SAO) and provide them with all necessary information and then remove the item from the inventory system.
5. Physical Counts, Reconciliation and Adjustment to Asset Records: Upon request from Finance, departments/division will submit physical count sheets. Any discrepancies between the count and the inventory management system will need to be resolved between the two parties. Updates and corrections will be made to the system by Finance.

APPROVAL:	
By: <u></u>	Date: <u>4/22/20</u>
Larry Clark, VP for Finance & Administration	