



POLICIES AND PROCEDURES



Policy

Fixed Assets

Adopted December 20, 2007

Category(ies) *Finance and Administration*

TABLE OF CONTENTS

General

Definitions

Responsibilities

Receiving, Tagging and Delivery of Property

Disposal, Transfers, Trades and Trade-Ins of Surplus Property

Loan of College Assets

Lost or Stolen Property

Physical Inventory

General

The purpose of the fixed assets system is to provide control and accountability over the College's assets and to gather and maintain the information needed for the preparation of financial statements.

The policies and procedures described below meet the State of Washington, Office of Financial Management minimum standards as described in Chapter 30 of the State Administrative & Accounting Manual. In addition to the minimum standards, Business Services will annually review and update these policies and procedures to determine if changes in technology or theft experience warrants inclusion of any additional items in the asset inventory.

Definitions

Account Manager - the person(s) authorized to approve purchases on behalf of a college unit.

Asset Value - the acquisition cost of an asset calculated 1) without regard for trade in allowance 2) including taxes, installation and/or calibration charges, 3) freight and 4) Educational and other discounts are taken into consideration.

Capital Asset - item or equipment with: 1) asset value over five thousand dollars (\$5,000), 2) a useful life of one or more years, and 3) legally considered either real or personal property. Such items must be purchased, transferred, coded, recorded, tagged and inventoried within the fixed assets system as described in these procedures. Capital assets are purchased using capital expense accounts 732XXX.

Small and attractive assets - item or equipment with: 1) asset value cost between three hundred dollars (\$300) and five thousand dollars (\$5,000), 2) a useful life of one or more years and 3) considered sensitive

and requiring property control. Such items must be purchased, transferred, coded, recorded, tagged and inventoried within the fixed assets system as described in these procedures. Small and attractive assets are purchased using capital expense accounts 731XXX.

Effective July 1, 2003, small and attractive assets include:

- Weapons, firearms and all items in OFM commodity class 10XX.
- Items or equipment with a unit cost of \$3,000 or greater.
- Portable computing devices
- Portable video projectors
- Digital video cameras

Non-inventoried assets - item or equipment with: 1) asset value between three hundred (\$300) and three thousand (\$3,000) dollars, 2) a useful life of more than one year 3) does not meet the definition of a capital or small and attractive asset. Such items must be purchased, transferred, coded, recorded, tagged and inventoried according to the internal procedures of each unit. Non-inventoried assets are purchased using goods and services expense accounts 727XXX.

Fixed assets system - SCT Banner Finance - Fixed Assets system will be used to record and account for all capital and small and attractive assets.

Accessories or attachments to assets - unit or equipment with: 1) asset value over five thousand dollars (\$5,000), 2) adds useful life to an existing capital asset and 3) does not replace the original asset. Such items must be purchased, transferred, coded, recorded, tagged and inventoried within the fixed assets system as described in these procedures.

Fabricated asset - item or equipment constructed by a college shop or lab. Such items should be coded as equipment when the fabrication charges are made and treated as a capital, small and attractive or non-inventoried asset as described above. All labor, supplies, and materials used in the construction should be considered the asset value. The fabricator must notify Business Services to transfer, code, record, tag and inventory the item as soon as it is completed.

Transferred asset - item or equipment received from another government (federal, state or local) agency (often with freight the only cash expenditure) shall be treated as a capital, small and attractive or non-inventoried asset as described above. The original cost shown on the transfer document shall be considered the asset value.

Gift - a capital, small and attractive or non-inventoried asset received without any college expense incurred. The Evergreen State College Foundation must officially accept all donations, including gifts designated for a particular area or purpose. The Evergreen State College Foundation shall notify Business Services in writing of the donation to include a description of the item, the receiving unit, location, value of gift, donor's name, and date received. The asset shall be treated as a capital, small and attractive or non-inventoried asset as described above. The value of the gift shall be considered the asset value.

Property - any asset, material, equipment or supplies belonging to the college.

Property custodian - person assigned by a unit administrator to maintain the units property list and conduct the biannual physical inventory.

Surplus property - any unserviceable, obsolete or excess college assets, materials, equipment or supplies,

tagged and untagged regardless of whether or not the item is part of the colleges fixed assets system.

Responsibilities

The Director of Business Services is responsible for developing and administering property management processes and the data integrity of the fixed assets system.

Each Account Manager is responsible for maintaining physical control and maintenance over all assets (inventoried and non-inventoried) purchased and assigned to their unit.

Units are responsible for developing internal procedures to control the use and distribution of all assets assigned to the unit.

Business Services is responsible for:

- maintaining records,
- tagging assets,
- preparing asset inventory reports,
- coordinating the annual physical inventory,
- reconciling property inventory and fiscal records, and
- making financial reports of fixed assets contained within the plant funds of the college.

Receiving, Tagging and Delivery of Property

The college becomes responsible for all property upon delivery. The campus receiving/ mailing operation is responsible for physically delivering non-computer property to the ordering unit unless delegated to someone else. Technical Support Services (TSS) is responsible for delivering all computer property.

- All capital and small and attractive assets are to be tagged before being delivered to units unless delegated to another area.
- The campus receiving/mail operation is responsible for assigning and permanently affixing college inventory tags and other identification markings on these assets as appropriate unless delegated.
- Technical Support Services (TSS) is delegated the responsibility for affixing college inventory tags to technology-related property at the discretion of the Director of Business Services.
- The college inventory tag number must be noted on the receiving document (packing slip, email or copy of PO) and recorded in the fixed assets system.

Disposal, Transfers, Trades and Trade-Ins of Surplus Property

Business Services must be notified in writing prior to the disposal of surplus property. Notification should include description, State of Washington tag number (if available), serial number and condition, and any other pertinent information.

- Upon receipt of a notification for disposal, the receiving/mail office will collect and store the reported property. Rolling stock and heavy equipment such as motor vehicles, construction equipment, and grounds equipment is stored at unit's location until the property is surplus.
- The Office of Commodity Distribution, Department of General Administration (GA), State of Washington process (form 267A) is used for disposal of all surplus property.

- If the surplus property was a capital or small and attractive asset, it will be removed from the fixed assets system.
- Disposition of technology-related surplus property must be approved by the state information services board or the Director of Computing and Communications depending on the estimated value of the equipment. Technology-related surplus property may be cannibalized for parts, recycled or submit to the General Administration is determined by TSS.
- If the Account Manager believes that the value and marketability of the items being surplus would generate \$1,000 or more for the college, a request should be made for the college to directly sell the property. The request will be evaluated by the Purchasing Manager, the Director of Business Services and the Account manager to determine feasibility.
- If the decision is made to directly sell college property, the Purchasing Office will follow a formal request for proposal (RFP) process consistent with state and college purchasing regulations to competitively obtain proposals.
- Revenue received from the sale of surplus property through the college RFP process and the General Administration distribution process will be deposited back to the fund and division that originally purchased the surplus property.
- Transfer of surplus property or assets between units may be accomplished by completion of a property transfer form or written notification to Business Services by the unit which currently carries the asset on its inventory. A written acknowledgement of receipt from the gaining unit will also be required. Business Services will update the fixed assets system to reflect the transfer.
- Reimbursement will be required for all assets transferred between auxiliary enterprise, working capital, student activities and general funds. The amount of reimbursement will be the fair market value agreed upon by the original and gaining unit and the Business Services.
- The college encourages the use of trade-in opportunities where the trade-in produces the best value for the college. These transactions must be processed through the GA as surplus property (*form 267A*). Technology-related trade-in must be approved by the state information services board or the Director of Computing and Communications. In both cases, approval must be obtained prior to generating a purchase requisition. The purchase requisition should include the tag number of the property traded in.

Loan of College Assets

No item of college property (regardless of original funding source) shall be removed from its assigned location without proper written authority. Any loan or temporary removal of an asset must be authorized by either the account manager or the divisional budget coordinator and the Director of Business Services or designee.

Other than for such instances as short term extended field trips and research, the borrower must notify Business Services in writing of the asset loan, detailing where the asset is going to be. A copy of the written notification will be retained in the responsible unit's permanent files. The borrower must notify Business Services when the asset is returned.

College assets may only be used for official college activities. Assets may not be loaned to other organizations nor may it be used by college staff for personal use.

Lost or Stolen Property

If property is missing, the account manager must write a memorandum to the campus Police Services office indicating the item missing and the circumstances under which the item was lost or stolen. A copy of the memorandum must be sent to Business Services. Upon conclusion of the investigation, the campus Police

Service office will forward a copy of the case report to Business Services.

If evidence clearly indicates the item has been stolen, Business Services shall prepare and file a GA form 267A, including all back-up material (the memorandum from the account manager and the case report from Police Services). Copies will also be provided to the Director of Business Services for notification to the State Auditor's Office, Risk Management and Attorney General if required.

If it appears that the item may still be on campus but has just been misplaced, it will remain on inventory until the next full physical inventory. If it is not found in the next inventory, the Account Manager will initiate the process described above for stolen property.

Physical Inventory

- Each unit is required to complete a physical inventory of all capital and small and attractive assets every two years.
- Business Services will send the appropriate unit administrator a physical inventory request (in writing), instructions on how to conduct the inventory and an asset list for the area.
- Each unit administrator will assign someone to be the property custodian for the unit.
- Business Services will assist the property custodians in locating assets and providing general support of the physical inventory as necessary.
- Property custodians are expected to note exceptions on the property list such as:
 - asset on inventory list but not found.
 - asset found but not on inventory list.
 - Incorrect description
- Property custodians must sign each page of the asset listing to indicate completion.
- The unit administrator is responsible for returning the completed and signed asset listing within 45 days from the date of the physical inventory request.
- A report of the results of the campus-wide physical inventory will be filed with the
- Director of Business Services at the end of each biannual physical inventory.

OFM authority is granted in [RCW 43.88.160\(1\)](#), [RCW 43.19.1917](#) and [RCW 43.41.150](#).

As defined in [Chapter 30.50.10](#) of the State Administrative & Accounting Manual issued by the Office of Financial Management, State of Washington.

See [RCW 43.19.190 through RCW 43.19.1939](#)

Given the total cost of an RFP process to all areas participating, only one attempt will be made to sell the property before it goes to the Office of Commodity Redistribution as defined in 5(c).

Email is acceptable unless noted otherwise.

The GA no longer requires that form 267A be submitted to them for lost or stolen property.