UNIVERSITY PROPERTY-EQUIPMENT PROCEDURES SAN DIEGO STATE UNIVERSITY

Revised April 2016
# Table of Contents

1.0  OBJECTIVE........................................................................................................2
2.0  DEFINITIONS....................................................................................................2
  2.1  Capitalized Equipment..................................................................................2
  2.2  Non-Capitalized Equipment..........................................................................2
  2.3  Sensitive Equipment......................................................................................3
  2.4  Information Assets.........................................................................................3
  2.5  Instructional Equipment (IE)..........................................................................3
  2.6  Group 11 Equipment.....................................................................................3
  2.7  Custodial Department....................................................................................4
3.0  CAMPUS COMMUNITY AND DEPARTMENTAL RESPONSIBILITIES.........4
  3.1  Employees-Faculty & Staff..........................................................................4
  3.2  Sponsored Programs......................................................................................4
  3.3  Financial Accounting & Reporting...............................................................4
  3.4  Property Survey Committee (PSC)...............................................................4
4.0  ACQUISITION OF EQUIPMENT.................................................................4
  4.1  Purchase........................................................................................................5
  4.2  Property Purchased Jointly with other Entities............................................5
  4.3  Donations (In Kind Gifts)............................................................................5
  4.4  Transfers.......................................................................................................5
  4.5  Fabrication of Equipment............................................................................5
5.0  ASSET MANAGEMENT SYSTEM & EQUIPMENT IDENTIFICATION.....5
  5.1  Asset Management System (AMS)...............................................................5
  5.2  Identification of Campus Equipment............................................................6
6.0  PHYSICAL INVENTORY..............................................................................6
  6.1  Physical Inventory of Campus Equipment....................................................6
  6.2  Off Campus Use of Property.......................................................................7
7.0  MAINTENANCE.............................................................................................7
8.0  LOSS PREVENTION.....................................................................................7
  8.1  Missing, Lost, Stolen or Vandalized Property...............................................7
9.0  DISPOSITION OF CAMPUS PROPERTY..................................................8
  9.1  Surplus Property..........................................................................................8
  9.2  Equipment with Special Requirements.......................................................8
  9.3  Approval of Depositions..............................................................................8
  9.4  Types of Depositions...................................................................................8-9
10.0 REPORTING AND RECONCILIATIONS....................................................10
11.0 DEPRECIATION...........................................................................................10
12.0 RESOURCES AND REFERENCE MATERIALS........................................10
1.0 OBJECTIVE

Equipment Procedures are designed to maintain uniform accountability for equipment. These procedures are used to provide accurate records for the acquisition, maintenance, control, and dispositions of property. The combination of accurate accounting records and strong internal controls must be in place to protect against theft, detect the unauthorized and miss appropriate use of property.

2.0 DEFINITIONS

2.1 Capitalized Equipment

“Capitalized Equipment” is defined as the tangible, non-consumable property meeting all of the following criteria:

1) A unit acquisition cost of $5,000 or greater (includes all cost incurred to acquire and to ready the asset for its intended use such as purchase price, applicable tax, freight, etc.)
2) An estimated life of greater than one year
3) Is not permanently attached to or incorporated in the buildings and grounds
4) Is used to conduct business

Capitalized equipment must be tagged and inventoried. For tagging methods, refer to section 5.2 Identification of Campus Equipment. Detailed guidelines on capitalization of assets can be found in Capital Asset Guide of the GAAP Reporting Manual.

The exception to the capitalized equipment tag and inventory requirement is modular furniture which can be assembled and reassemble in various configurations. As modular furniture costs are capitalized for GAAP financial statements, campuses are to develop procedures to reasonably account for them in order to identify and remove the cost and related accumulated depreciation from the campus’ financial records upon disposal.

2.2 Non-Capitalized Equipment

Generally, “Non Capitalized” is equipment that does not meet the criteria to be capitalized. Campuses may establish a threshold for tracking of non-capitalized equipment based on an analysis of cost versus benefit and risk of misappropriation.

At a minimum, non-capitalized equipment that must but tracked, tagged and inventoried are:

1) University police firearms,
2) Vehicles and boats.

Non capitalized equipment deemed to be trackable must be recorded in the campus defined property inventory records but not included in the campus’ GAAP financial statements. For tagging methods, refer to Section 5.2 Identification of Campus Equipment.
2.3 Sensitive Equipment

Sensitive equipment is equipment that is easily subjected to theft or loss based on an analysis of cost and risk by the campus. These items must be tracked, tagged and inventoried.

2.4 Information Assets

Information assets are electronic records as defined and must be managed in accordance with ICSUAM Policy 8000 Series – Information Security.

2.5 Instructional Equipment (IE)

“Instructional equipment” (IE) can be classified as either capitalized or non-capitalized equipment and is defined as property which is tangible and non-consumable meeting all of the following criteria:

1) A unit acquisition cost equal to or greater than $5,000 (including all cost incurred to acquire and to ready the equipment for its intended use such as purchase price, applicable tax, freight, etc.)
2) A normal useful life of two or more years
3) Is not permanently attached to or incorporated in buildings and grounds
4) Is owned by the campus and used to conduct business
5) Is assigned to one of the following: instructional departments, audiovisual centers and/or learning laboratories, or any functions under the ancillary support subprogram of the Academic Support program

Equipment assigned to the Library or Computer Center is excluded from this category, as is furniture.

For the purpose of preparing the Instructional Equipment Inventory Report required by the CSU Chancellor’s Budget Office, IE must be accounted for. However, while IE from $500 to under $5,000 must be accounted for, it is not required to be tagged unless it belongs to one of the categories specified as minimum requirement for non-capitalized equipment as specified in Section 2.2. All capitalized instructional equipment must be tagged.

Note: CSU budget allocations for Instructional Replacement Equipment are based, in part, on existing equipment values which are reported in the Instructional Equipment Inventory Report. For further information on Instructional Equipment Inventory Report see CSU 1112 IER Memo Instructions for Instructional Equipment at the Instructional Equipment Replacement (IER) Database website maintained by the Budget Office.

2.6 Group 11 Equipment

Items purchased to place a structure into service, commonly referred to as “Group 11 Equipment,” must be evaluated for capitalization or tracking based on the criteria specified in Section 2.1 and 2.2.
2.7 Custodial Department

The campus department assigned ownership to the property.

3.0 CAMPUS COMMUNITY AND DEPARTMENTAL RESPONSIBILITIES

3.1 Employee – Faculty & Staff

Employees of the campus community have an obligation to safeguard SDSU equipment and property. This obligation includes, but is not limited to:

- Taking reasonable security precautions to discourage loss, theft, or misuse of property
- Preventing the disclosure of protected data by complying with campus information security procedures
- Reporting missing, lost, stolen and vandalized property to appropriate personnel including the IT security department via the appropriate form (such as Report Missing Property form, Campus Police Incident Report, and Police Report) must be completed immediately.
- Reasonable care, maintenance, and use of equipment to prevent damage.
- Returning equipment in satisfactory condition.

3.2 Sponsored Programs

All equipment funded by externally sponsored programs is also subject to sponsored Programs Administration ICSUAM 11005.00. Externally Funded Equipment & Property management Policy.

3.3 Financial Accounting & Reporting

Financial Accounting & reporting is responsible for authorizing the majority of financial reports and ensuring the reporting data is available for end users throughout campus. See Section 10.0 REPORTING AND RECONCILIATION for further information.

3.4 Property Survey Committee (PSC)

Each campus will have a campus defined Property Survey Committee responsible for determining whether the disposal of surplus property is in the best interest of the state. To the extent possible, there will be a sufficient number of members on the committee to ensure representation by both business management and academic administration. At least two committee members and one property officer must approve and sign the survey reports prior to the completion of the disposition transaction. PSC approval is required for all disposition of capitalized and non-capitalized equipment trackable or taggable.
4.9 ACQUISITION OF EQUIPMENT

Equipment may be acquired by purchase (including lease purchase, installment purchase, and Procurement Card purchase), donations, transfers and fabrication. Per Section 2.0, equipment will be added to the inventory record, tracked, tagged, and inventoried as appropriate. (Refer to Section 2.7 Equipment Tracking, Tagging and/or inventory Requirements Matrix.)

4.1 Purchase

The cost of equipment includes the purchase price, applicable taxes and freight, and many other costs accosted with preparing the equipment for its intended use.

4.2 Property Purchased Jointly with other entities

Property purchased with a combination of the campus’ and other entities’ funds (auxiliaries, federal agencies, etc.) shall be noted on the purchase order with the amount of funds allocated from each funding source. If not stated in the agreement of purchase, these items will be recorded as SDSU Property if any portion of the funds used to acquire, install, or maintain the item are from SDSU sources.

4.3 Donations (in Kind Gifts)

Departments must coordinate with the campus Advancement department to ensure that the campuses’ in kind gift acceptance requirements are met and the donation is properly acknowledged with appropriate authorization signatures. Advancement is responsible for itemizing and obtaining the fair market value of donated gifts and reporting this information to the appropriate departments.

4.4 Transfers

Upon acceptance of items transferred from another campus, auxiliary organization or state agency, the campus must determine the fair market value of the asset at the time of transfer. All transfer must follow the same tagging and recording procedures set forth in Capital and Expense equipment.

4.5 Fabrication of Equipment

Under special circumstances equipment may be constructed by campus employees.

5.0 ASSET MANAGEMENT SYSTEM & EQUIPMENT INDENTIFICATION

5.1 Asset Management System (Oracle)

The generic term, asset management system, is the software program (Oracle) used to record all of the campus’ acquisitions, transfers, and dispositions of SDSU property.
The asset management system is the campus official record for capitalized equipment, including federally funded equipment with a per unit fair market value of $5,000 or greater. Non-capitalized equipment must be recorded either in the asset management system or in local campus define records as indicated in section 2.0 of this policy.

The information entered into the asset management system may include, but is not limited to: the item description, date of receipt, purchase order number, location information for inventory, cost and other financial information for reporting. The description of the equipment entered into the asset management system may include (as available) make, model number, manufacturer, serial number, campus identification number (tag number), and asset class as needed for capital assets reporting and depreciation.

Accurate records must be maintained as to the current location of equipment allow for inspection and/or inventory purposes whenever necessary. The timing requirements for adjustments to the asset management system need to be specified in the campus’ procedures.

5.2 Identification of Campus Equipment

All capitalized and non-capitalized campus equipment (deemed taggable) must be tagged or marked with a unique identification number which is to be recorded in the asset management system and also on all applicable property control documents. The identification number will be directly applied to the actual unit unless its size or nature prohibits application. Any additional identification number required by the department must be applied in a manner that avoids confusion with the SDSU identification number. (Refer to Section 2.7 Equipment Tracking, Tagging and/or Inventory Requirements Matrix.)

SDSU property should be tagged before it is distributed to the accepting department. If property is delivered to another physical location other than the Property Office, receiving, or off campus or if an equipment identification number becomes destroyed, defaced, or removed, it is the responsibility of the custodial department to contact the property office to tag or reapply a new identification number.

6.0 PHYSICAL INVENTORY

6.1 Physical Inventory

A complete physical inventory of all SDSU capitalized and non-capitalized equipment (deemed taggable) must be performed at least once every 3 (three) years. Capitalized Federally Funded Equipment, with a per unit fair market value of $5,000 or greater, requires a 2 (two) year cycle physical inventory per Sponsored Programs Administered ICSUAM 11005.00 Externally Funded Equipment and Property Management Policy.

To ensure proper segregation of duties, this physical inventory shall not be conducted by the custodial department. The campus Property Office will conduct this physical inventory with full participation of the custodial department. The completed inventory must be reviewed and approved by management. Any discrepancies must be evaluated for further investigation and escalated for
further appropriate authority based on the specifics of the equipment and the value of the missing items.

Instructional equipment will be tracked for the purpose of preparing the Instructional Equipment Inventory Report required by the CSU Chancellor's office, but will not be physically inventoried unless it falls into the capitalized or non-capitalized (deemed taggable) categories.

The Physical Inventory of capitalized equipment will be reconciled to the general ledger, while non-capitalized equipment is not. (Refer to Section 2.7 Equipment Tracking, Tagging and/or Inventory Requirements Matrix.)

6.2 Off Campus Use of SDSU Property

San Diego State University requires that the campus property not to be utilized off campus unless it is necessary for conducting SDSU business. If SDSU property (including property deemed trackable) has been approved to be used off site, it is the responsibility of the department and user to complete an authorization form for off-site use before the property is in the custody of the user.

During each inventory cycle all off-site property must be “physically” verified and location confirmed. When the equipment is returned, the return of the property must be documented on the authorization form with appropriate signatures. The department must keep a copy on file and upon request forward a copy to the Property Office. The property office must keep all Off Campus Use Forms in Oracle as a PDF file.

6.3 On Campus Use of Personally Owned Property

It is recommended that SDSU employees who use their personal devices on-campus identify and report the use of such equipment to their department’s IT support and/or Dean’s office. The campus is not responsible for loss or damage to personally-owned equipment.

7.0 MAINTANANCE

Campus must establish practices to reduce risk associated with the use of equipment by maintaining such equipment in good working order. For example, campuses are required to have a Motor Vehicle Inspection Program.

8.0 LOSS PREVENTION

Departments with equipment susceptible to theft or loss must implement one or more of the following protection measures:

- Ensure SDSU equipment identification tags or permanent marking are visible on the equipment.
- Establish an internal check-out/check-in system for departmental equipment.
- Lock office equipment to desk or stands.
- Utilize a security room or closet to store high-risk equipment.
8.1 Missing, Lost, Stolen or Vandalized SDSU Property

In the event that equipment becomes missing, lost, stolen or vandalized, a report shall be filed and forwarded to the appropriate departments upon discovery. For incidents with on-campus property, an incident report must be filed with the campus Police Department in the case of stolen and/or vandalized property. For incidents with off-campus property, the local police department shall be notified and a police report filled in the case of stolen and/or vandalized property. In all cases of theft or loss of information assets or equipment containing information assets, the IT security department must be notified immediately upon discovery.

9.0 DISPOSITION OF CAMPUS PROPERTY

9.1 Surplus Property

A Moving Service Request Form must be completed for equipment that a department deems as surplus. The custodial department will advise on the present condition and current use of the item prior to forwarding to the Property Office for disposition. All equipment that is tagged with an active SDSU equipment tag must be transferred in Oracle IAssets to surplus prior to submitting a moving service request form.

9.2 Equipment with Special Requirements

The campus must ensure all special requirements (Biohazard, hardwired, oil reservoirs, etc.) for equipment are addressed prior to removal.

9.2.1 Vehicles

The certificate of title (pink slip) must be kept on file by the property department for all campus vehicles. All sale and trade in information must be retained by the campus designated department and the property department once the vehicle has been disposed.

9.2.2 Information Assets

Refer to ICSUAM Policy 8065.00 Information Asset Management.

9.2.3 Federally Funded Equipment

Refer to ICSUAM Policy 11005.00 Externally Funded Equipment and Property Management.

9.3 Approval of Dispositions

To ensure proper internal controls and Segregation of duties, no item of property shall be sold, transferred, or disposed of outside the campus, without prior approval of the campus defined Property Survey Committee (PSC).
9.4 Type of dispositions

For prohibited practices refer to Public Contract Code 10334(a) and ICSUAM 5210.00 Prohibited Practices – 300 Appropriation of State Property or Services.

9.4.1 Equipment Transfers Between Campus Departments

When SDSU equipment is transferred between departments, the transfer must be documented and properly approved by both departments. The following information should be provided: campus tag identification number, item description, and location (building, room and/or department location). The asset management system (Oracle) must be updated to reflect the transfer in a reasonable period of time as defined in campus procedures.

See Sponsored Programs ICUAM 11005.00 Equipment and Property Management for grant equipment transfers between an auxiliary organization and a campus department.

9.4.2 Transfers of Equipment to Another Campus or State Agency

When SDSU equipment is transferred to another campus, auxiliary organization or state agency, the transfer must be documented on a campus property transfer report and property approved by both the campus transferring the equipment and the other campus or state agency accepting the equipment. All records of the transfer must be documented in the assets management systems (Oracle).

9.4.3 Public Sales

The appropriate departments must be notified of any departmental plans to sell property before the transaction takes place. The campus will establish a fair market value of the equipment that is to be sold. For dollar limitation approves refer to Expectative Order 409 Purchase, Sale, Lease and License of Personal Property- Delegation of Authority.

All equipment deemed as surplus and no longer of any use to the University will be sold on auction to the highest bid. The auctions will be held online via Public Surplus Sales. Public Surplus Sale’s website will be used to maintain all records of sales and transactions.

A system of checks and balances shall be used and a proper segregation of duties must be in place. This shall, at a minimum, consist of having separate persons handle the sell and the collection of funds. For cash handling procedures, please refer to ICSUAM 3102.03 Acceptance of Cash and Cash Equivalents.

9.4.4 Trade-In

The appropriate departments (Purchasing, Property Office, Dean’s Office, etc.) must be notified of any departmental plans to trade in property before the transaction takes place. The campus will be established a fair market value of the property that is to be trade-in.
9.4.5 Donation

Property that is deemed suitable for donation may be donated as appropriate for the item to educational institutions, public agencies and non-profit organizations. All University property donations must be processed through the Property Office. For all donations, a copy of the non-profit organization’s 501(c)3 certification is to be obtained and retained.

9.4.6 Recycle or Salvage

SDSU property that is deemed obsolete, irreparable or dangerous will be discarded using a State certified recycler. Parts from such property may be identified as salvage parts and reclaimed for campus business use.

10.0 REPORTING AND RECONCILIATIONS

SDSU asset management reporting is used for many purposes including resource management, financial reporting and overall effective asset management. Financial Accounting & Reporting is responsible for authorizing the majority of financial reports and ensuring the reporting data is available for end users throughout campus.

Depending upon the campus process for entering capital assets into Asset Management, the campus may have to complete reconciliations to ensure that all capital assets received have been entered into the Asset Management system and capitalized. These reconciliations should be performed in a timely manner, either monthly or quarterly depending upon the volume of property transactions. The timing requirements for reconciliations should be specified in the campus’ procedures. Reconciliations will show the date prepared, date reviewed, preparer’s name and signature, and the reviewer’s name and signature.

11.0 DEPRECIATION

Detailed guidelines on the depreciation of assets are located in the Capital Asset Guide of the GAAP Reporting Manual.

12.0 RESOURCES AND REFERANCE MATERIAL

Public Contact Code 10334(a)
Executive Order 409 Purchase, Sale, Lease and License of Personal Property- Delegation of Authority
ICSUAM 3102.03: Acceptance of Cash and Cash Equivalents
ICSUAM 5210.00: Prohibited Practices
ICSUAM 5303.00: Commodities with Special Purchasing Requirements
ICSUAM Policy 8000 Series: Information Security
ICSUAM 11005.00: Externally Funded Equipment and Property Management
Capital Asset Guide of the CSU GAAP Reporting Manual
Instructional Equipment Replacement (IER) Database website