


| | | |
|---|---|--|
|  | Florida Gulf Coast University Policy Manual | Policy: 3.033 Approved: 1/13/12 |
| | TITLE: Tangible Personal Property Policy | Responsible Executive: <i>Vice President for Administrative Services and Finance</i> Responsible Office: <i>Controller's Office</i> |

POLICY STATEMENT

The purpose of this policy is to establish tangible personal property guidelines to ensure accountability for and safeguarding of University assets in compliance with applicable laws and rules. In accordance with FGCU-PR7.008, the University will establish procedures for annual physical inventory, recording and marking of property, and disposition of property.

REASON FOR POLICY

This policy is consistent with university procedures to ensure compliance with applicable laws, rules and internal control, coordination of the annual physical inventory, accountability for acquisition, transfer and disposal of tagged assets, depreciation of tangible personal property over the estimated useful life, and maintenance of property records in the University's fixed asset financial system with a value or cost of \$5,000 or more, and having a projected useful life of one year or more and library resources with a value or cost of \$250 or more and having a useful life of one year or more.

APPLICABILITY AND/OR ACCOUNTABILITY

This policy is applicable to all departments within the University Community.

DEFINITION OF TERMS

Attractive Property – tangible personal property with the characteristics of Property as defined by this Policy but with a value or cost less than five thousand dollars (\$5,000). Examples of Attractive Property include, at a minimum, electronic data storage devices that are prone to theft, easily portable and by their nature are adaptable for personal use.. Examples of Electronic Data Storage Devices are mobile/computer systems (personal computers, laptops, notebooks, netbooks, tablets, etc.) and handheld communications equipment (cellular phones,

PDA's, smart pads, etc.). Such property will be identified as requiring departmental oversight.

Capital Asset - real or personal property that has a cost equal to or greater than an established capitalization threshold and has a useful life extending beyond one year. Capital assets are reported in the statement of net assets in financial reporting.

Control Accounts - summary accounts designed to control accountability for individual property records. Unlike individual property records which establish accountability for particular items of property, control accounts accumulate the total cost or value of the custodian's property and through entries to the control accounts documenting acquisitions, transfers and dispositions, provide evidence of the change in that total cost or value over periods of time as well as the total cost or value at any point in time.

Cost - acquisition or procurement cost (i.e., invoice price plus freight and installation charges less discounts). "Trade-in discounts" should not be deducted from the full purchase price.

Custodian - the Vice President for Administrative Services and Finance or designee.

Department Property Manager – a person acting under the guidance of the Property Administrator to whom the custody of property has been assigned within their area or department. Department Property Managers assigned shall be responsible for the annual physical inventory of property in his or her custody within the department and for assisting the Property Administrator in the reconciliation of unaccounted for property during the annual physical inventory process.

Depreciated Cost - acquisition cost less accumulated depreciation.

Depreciation - the systematic and rational allocation of the acquisition cost of an asset over the expected useful life of the asset.

Financial System - the University's Enterprise Resource Planning system.

Fiscal Year - the University fiscal year which is July 1st – June 30th.

Identification Number - a unique number assigned and affixed to each item of property to identify it as property held by the custodian and for the purpose of differentiating one item of property from another.

Personal Property - tangible University personal property which has a value or cost of five thousand dollars (\$5,000) or more, is nonconsumable and nonexpendable, and has a useful life of one year or more. Examples include equipment, furniture, books, and software. Such property will be maintained in the University Fixed Asset Financial System.

Property Administrator - a University employee who has been delegated responsibility by the Custodian to manage the assignment, accountability, transfer and disposal of University-owned property.

Property Survey Board - the review board appointed by the Vice President of Administrative Services and Finance to examine and make recommendations on approval or disapproval of classification of property as surplus.

Unaccounted for Property - property held by a custodian subject to the accountability provisions which cannot be physically located by the custodian or custodian's delegate and which property has not been otherwise lawfully disposed of properly.

Value - the worth or fair market value at the date of acquisition for donated property.

PROCEDURES

(If applicable)

This policy applies to all University property which includes such items as: equipment, furniture, books, software, and other fixed assets.

A. Recording and Marking of Property

1. Capitalization Threshold for Recording Tangible Personal Property - Property, as defined by this Policy, shall be recorded in the financial system as property for inventory purposes. Library resources with a value or cost of \$250 or more and having a useful life of one year or more also shall be recorded in the financial system as property for inventory purposes. For the purpose of this policy, "cost" is used if the property is purchased and represents the purchase price of the property item; "value" is used if the property is donated and represents the fair market value of the property item at the date of donation.

2. Maintenance of Property Records – Department Property Managers shall maintain adequate records of property in their custody. The records shall contain at a minimum, the information required by this policy.
3. Maintenance of Attractive Property Records – The University shall distribute written procedures similar to the annual physical inventory process to assist Department Property Managers with best practices for identifying, tracking and disposing of attractive property in their custody.
4. Individual Records Required – Each property item shall be accounted for in a separate property record. Related individual items which constitute a single functional system may be designated as a property group item. A property group item may be accounted for in one record if the component items are separately identified within the record. Examples of property items subject to group accountability include, but are not limited to: modular furniture, computer components, book sets and similar associations of items. All property group items, the total value or cost which is equal to or greater than \$5,000, shall be inventoried under this policy.
5. Content of Individual Property Records – Each property record shall include the following information:
 - a) Identification number.
 - b) Description of item or items.
 - c) Physical location (the city, county, address or building name and room number therein).
 - d) Name of custodian or custodian's delegate with assigned responsibility for the item.
 - e) In the case of a property group, the number and description of the component items comprising the group.
 - f) Name, make or manufacturer, if applicable.
 - g) Year and/or model(s), if applicable.
 - h) Manufacturer's serial number(s), if any, and if an automobile, vehicle identification number (VIN) and title certificate number, if applicable.

- i) Date acquired.
 - j) Cost or value at the date of acquisition for the item or the identified component parts thereof. When the historical cost of the purchased property is not practicably determinable, the estimated historical cost of the item shall be determined by appropriate methods and recorded. Estimated historical costs shall be identified in the record and the basis of determination established in the custodian's records. The basis of valuation for property items constructed by custodian personnel shall be the costs of material, direct labor and overhead costs identifiable to the project. Donated items, including federal surplus tangible personal property, shall be valued at fair market value at the date of acquisition. Regardless of acquisition method, the cost or value of a property item shall include ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include expenditures that are directly attributable to asset acquisition and placing the asset in service, such as freight and transportation charges, site preparation costs, and professional fees.
 - k) Method of acquisition and, for purchased items, the transaction document number obtained from the financial system.
 - l) Date the item was last physically inventoried and the condition of the item at that date.
 - m) If certified as surplus, the value and condition of the property.
 - n) If disposed of, the information prescribed in this policy (Section C – Disposition of Property).
6. Control Accounts – A university-wide control account showing the total cost or value of the university's property shall be maintained. The University may keep additional control accounts for property to the extent deemed necessary for different funds and sub-funds. Control totals may not be established by periodically summarizing the costs or values recorded on the individual property records. Rather, entries to control accounts shall be derived from documents evidencing transactions resulting from the acquisition, transfer, or disposition of property items and shall be posted contemporaneously with entries to the individual property records.

7. Depreciation shall be recorded to meet financial reporting requirements relating to depreciation accounting. However, depreciation shall not be recorded on the individual property records or in control accounts in such a manner as to reduce the recorded acquisition cost or value (i.e., depreciation shall be recorded as an item separate from the acquisition cost).
8. Marking of Property – Each property item shall be permanently marked with the identification number assigned to that item to establish its identity and ownership by Central Receiving or the Property Administrator. The marking shall visually display the property identification number of the item and may include an electronic scanning code (“barcode”) to facilitate electronic inventory procedures.
9. Exemptions for Marking Property – Any item of property whose value or utility would be significantly impaired by the attachment or inscription of the property identification number is exempt from the requirement for physical marking. However, the Department Property Manager’s property records shall contain sufficient descriptive data to permit positive identification of such items.

B. Property Inventory

1. Physical Inventory Required – The Property Administrator and each Department Property Manager shall ensure that a complete physical inventory of all property is taken at least once each fiscal year. Each Department shall ensure that when there is a change in Department Property Manager, the Property Administrator in Finance & Accounting is notified and appropriate records are updated. The University shall provide written procedures for the best practices to complete annual inventory of attractive property.
2. Inventory Forms – The form used to record the physical inventory shall display, at a minimum, for each property item the following information:
 - a) Date of the current inventory.
 - b) Name and signature of the person who conducted the current inventory.
 - c) Identification number.

- d) Existence of item (or indication that the item was not located).
 - e) Description of the item or items.
 - f) Physical location (the city, county, address or building name and room number therein).
 - g) The name of the Department Property Manager assigned responsibility for the item.
 - h) In the case of a property group, the number and description of the component items comprising the group.
 - i) Name, make or manufacturer, if applicable.
 - j) Year and/or model(s), if applicable.
 - k) Manufacturer's serial number(s), if any, and if an automobile, vehicle identification number (VIN) and title certificate number, if applicable.
 - l) Date acquired.
3. Unrecorded Property – Any property item found during the conduct of an inventory which meets the requirements for accounting and control as defined in this policy, and which item is not included on the inventory forms described above, shall have an inventory form created for the item when located.
4. Property Administrator Shall Not Inventory Certain Items – The Property Administrator shall not personally inventory items for which they are responsible and shall have those items inventoried by another party.
5. Property Assigned to Others – In some instances, it may not be cost effective to make a physical inventory of property that has been temporarily assigned to an off-site location. In such instances, the Department Property Manager may, in lieu of a physical inventory, obtain a certified statement from the person assigned the property attesting to the existence and condition of the property.
6. Reconciliation of Inventory to Property Records – Upon completion of a physical inventory:

- a) The data listed on the inventory forms shall be compared with the individual property records. Noted differences such as location, condition, etc., shall be investigated and corrected as appropriate or, alternatively, the item shall be relocated to its assigned location and Department Property Manager shown in the individual property record.
 - b) Items not located during the inventory process shall be promptly reported to the Property Administrator by the Department Property Manager who shall cause a thorough investigation to be made. If the investigation determines that the item was stolen, the individual property record shall be so noted and a report filed with the Campus Police describing the missing item and the circumstances surrounding its disappearance.
7. Unaccounted for Property – For items identified as unaccounted for, recording the items as dispositions or otherwise removing the items from the property records shall be subject to approval of the Property Survey Board.

C. Disposition of Property

1. Surplus Property

- a) The Department Property Manager may identify as surplus any property in his or her custody that is obsolete, the continued use of which is uneconomical or inefficient, or which serves no useful function as to any activity or location under his or her supervision.
- b) The Property Survey Board shall serve as the review board to examine and make recommendations on approval or disapproval of classification of property as surplus.
- c) Property determined to be surplus shall be certified as such by the Department Property Manager and the administrative head of the department.
- d) The University shall provide procedures regarding the certification of surplus property.
- e) The Property Administrator shall maintain records of property that is certified as surplus with information indicating the value and condition of the property.

2. Disposition – Property may be lawfully disposed of as provided:

- a) Certified surplus property shall not be sold, transferred, cannibalized, scrapped, warehoused, or destroyed without prior written authority from the Property Survey Board.
- b) The University may dispose of property certified as surplus by:
 - 1) Selling or transferring the property to any other governmental entity;
 - 2) Selling or donating the property to any private nonprofit agency;
 - 3) Selling the property through a sale open to the public; or
 - 4) Entering into contractual agreements with other entities, including, but not limited to, other governmental agencies or private vendors, which facilitate the final disposition of the property. Such agreements may include, but are not limited to, the leasing of storage space or arrangements for the disposal of scrap property.
 - 5) Scrap or repurposing of the property.
 - 6) Abandon the property in place upon determination that the cost of return or repair exceeds the value of the property.
- c) The University shall maintain records to identify each property item as to disposition.
- d) The University shall provide procedures for, but not limited to, transferring, warehousing, bidding, destroying, scrapping, or otherwise disposing of university owned tangible personal property.
- e) All moneys received from the disposition of tangible personal property or from any agreement entered into under this policy must be managed by the Property Administrator and may be disbursed for the acquisition of exchange and surplus property and for all necessary operating expenditures. The Property Administrator shall maintain records of the accounts into which the money is deposited.
- f) Property assigned to a Department Property Manager which is not accounted for during regular or special inventories shall be subject to this policy regarding unaccounted for

property (Section B Property Inventory, Paragraph 7, Unaccounted for Property.).

- g) Whenever acquiring property, the University may pay the purchase price in full or may exchange property with the seller as a trade-in. If, whenever acquiring property and in the best interests of the University, the University may outright sell the property rather than by exchange as a trade-in providing the University makes the sale in the manner prescribed for the disposal of surplus property through the Property Survey Board.
 - h) The Department Property Manager shall request disposal or transfer of attractive property items which are electronic data storage devices from Computing Services. Prior to disposal or transfer to another department, Computing Services shall remove all sensitive data from the device.
3. Required Information – The following information shall be recorded on the individual property record for each item lawfully disposed of pursuant to this section:
- a) Date of disposition.
 - b) Authority of disposition (Department Property Manager certification as surplus property, Property Survey Board, and etc., as appropriate).
 - c) Manner of disposition (sold, donated, transferred, cannibalized, scrapped, destroyed, traded).
 - d) Identity of the employee(s) witnessing the disposition, if cannibalized, scrapped or destroyed.
 - e) For items disposed of, a notation identifying any related transactions (such as receipt for sale of the item, insurance recovery, trade-in).
 - f) For property certified as surplus, reference to documentation evidencing that such property was disposed of in the manner prescribed by this policy.
4. Transfer of Property Records – The individual property record for each item lawfully disposed of as described in this policy shall be, upon disposition of the item, transferred to a disposed property file. Destruction of such records shall be in

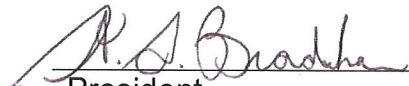
accordance with the guidelines set forth in Rule 1B-24.003(10) Florida Administrative Code.

5. Control Account – The cost or value of items lawfully disposed of shall be removed from the control account at the time of disposition.

HISTORY

New 1/13/12

APPROVED



President

Date 1/13/12