A. PURPOSE

The purpose of this policy is to outline the processes necessary for the University to maintain control of fixed assets that have been tagged and added to the University's fixed asset inventory.

B. AUTHORITY

Code of Virginia Section 23.1-1301, as amended, grants authority to the Board of Visitors to make rules and policies concerning the institution. Section 6.01(a)(6) of the Board of Visitors Bylaws grants authority to the President to implement the policies and procedures of the Board relating to University operations.


C. DEFINITIONS

Budget Unit Director – The University employee on record with the Office of Finance Data Control as having signature authority and financial management responsibility for a specific budget code.

Equipment Trust Fund (ETF) – Funds appropriated by the General Assembly with distribution oversight by the State Council of Higher Education for Virginia (SCHEV) for equipment upgrades needed for instruction and research.

Fixed Asset – Tangible and intangible property owned by the University and used in operations (not for resale) that have an initial expected useful life of greater than one year. A fixed asset with an initial cost (inclusive of ancillary charges) of $5,000 or greater is capitalized and becomes known as a capital asset (see Fixed Asset Management Procedure 3-800). Fixed assets also include those items purchased with SCHEV funding having a unit value of at least $500. ETF fixed assets must be retained for a minimum of seven years (with the exception of computing equipment, which must be retained for three years).

Intangible Property – An intangible asset is one that is not physical in nature. Computer software (including websites), water rights, easements, brand recognition and intellectual property, such as patents, trademarks, and copyrights, are all intangible assets.
Owner - University Budget Unit Director responsible for the inventory, care, control, custody and maintenance of fixed assets purchased with funds from the respective budget unit(s) or accepted as transfer equipment.

Tagged Asset – Tagging provides a unique identification number for each capital and ETF asset to ensure the asset is accounted for in the University’s Financial System, Banner.

D. SCOPE

This policy applies to all University-owned fixed assets and those individuals who are responsible for the proper use and control of these assets. This policy also applies to University employees who require the use of University equipment to accomplish University business at home (or away from the office). Employees include all staff, administrators, faculty, full- or part-time, and classified or non-classified persons who are paid by the University.

E. POLICY STATEMENT

It is the responsibility of Budget Unit Directors to maintain oversight, accountability and safeguarding of capitalized and ETF equipment that is assigned to them. When a Budget Unit Director does not exercise due care and maintain custody of the asset, then the budget may be charged up to the lesser of the current un-depreciated value or the replacement cost of the asset. The procedures listed below must be followed in order to ensure control is maintained according to Commonwealth Accounting Policies and Procedures (CAPP) Manual guidelines.

F. PROCEDURES

All University capital and ETF equipment are identified as “Property of Old Dominion University” and assigned a unique tag number. To safeguard and ensure accurate reporting, the following steps should be taken:

1. The General Accounting Office personnel are responsible for recording fixed assets in the University’s fixed asset system and tagging fixed assets delivered directly to departments. Each fixed asset shall be assigned a responsible budget code and the Budget Unit Director will be notified when an asset is added. The Budget Unit Director is then responsible for the control of the asset as described in the Fixed Asset Management Procedure 3-800. The Department of Procurement Services will be responsible for tagging fixed assets delivered to the warehouse and surplus property management.

2. When a tagged asset is needed by an employee to accomplish University business off campus, an Equipment Use Authorization Form, approved by the Budget Unit Director, must be submitted to the General Accounting Office. This form is in effect for one year and will serve as evidence of the location of a fixed asset in the Budget Unit Director’s custody that has been temporarily removed from campus. Requests to continue use of a fixed asset off campus must be updated annually by submitting a new Equipment Use Authorization Form to the Office of General Accounting. When the fixed asset is returned to campus, the Budget Unit Director shall certify on the Equipment Use Authorization Form that the fixed asset listed has been returned in satisfactory condition and shall sign and return it to the General Accounting Office for documentation of the change in location and to record the update in the University’s fixed asset inventory system.

3. Departments may not trade in equipment for credit toward the purchase of new equipment without advance approval by the Department of Procurement Services. If approved, the tag
number assigned to the equipment being traded must be listed on the purchase requisition with details showing the gross cost of the equipment as well as the vendor’s trade-in allowance. The department should also submit trade-in information to the General Accounting Office in order to update the fixed asset records once the trade-in has been approved by the Department of Procurement Services.

4. Departments must report stolen or vandalized equipment to the Old Dominion University Police Department and forward a copy of the police report to the General Accounting Office.

5. Departments must complete and submit to General Accounting a Missing Asset Explanation Form for tagged assets not found.

6. For fixed assets that are no longer needed, obsolete or damaged, departments must prepare an Equipment Turn-In/Work Order Request Form, to include the condition of the fixed asset, and submit it to the Department of Procurement Services for approval. Once the Department of Procurement Services has approved the request, it will receive approved surplus fixed assets that may then be reassigned to another department on request or may be considered disposable. The Department of Procurement Services will notify the General Accounting Office of reassignment or disposal of the turned-in property.

7. Prior to the issuance of an approved receipt by the Department of Procurement Services, the owner shall continue to be responsible for the inventory and absolute care, control, custody and maintenance of the fixed asset. (Board of Visitors Policy 1621 - Asset and Surplus Property Disposition)

8. For accurate monitoring in the University's fixed asset system, the owner is responsible for promptly informing the General Accounting Office of any changes affecting the responsible budget and/or physical location of an asset. Changes in ownership or physical location of asset(s) must be submitted using the Fixed Asset Workflow system.

G. RECORDS RETENTION

Applicable records must be retained and then destroyed in accordance with the Commonwealth’s Records Retention Schedules.

H. RESPONSIBLE OFFICER

Associate Vice President for Financial Services

I. RELATED INFORMATION

University Policy 3001 – Responsibility of Budget Unit Directors on Use of Funds (Expenditures)
University Policy 6060 – Separation Process for Faculty and Staff
Fixed Assets Accounting
POLICY HISTORY
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Policy Formulation Committee (PFC) & Responsible Officer Approval to Proceed:

/s/ Deborah L. Swiecinski  October 1, 2018
Responsible Officer  Date

Policy Review Committee (PRC) Approval to Proceed:

/s/ Donna W. Meeks  July 24, 2018
Chair, Policy Review Committee (PRC)  Date

Executive Policy Review Committee (EPRC) Approval to Proceed:

/s/ Gregory DuBois  September 28, 2018
Responsible Oversight Executive  Date

University Counsel Approval to Proceed:

/s/ R. Earl Nance  October 3, 2018
University Counsel  Date

Presidential Approval:

/s/ John R. Broderick  October 8, 2018
President  Date

Policy Revision Dates:  December 1, 1988; August 1, 1991; July 1, 2000; June 24, 2010; May 4, 2012; October 8, 2018

Scheduled Review Date:  October 8, 2023