

Purpose

Federal and State fixed asset policies require that all state owned equipment be inventoried and entered in the Commonwealth's Fixed Asset Accounting and Control System (FAACS) immediately upon receipt. Assets should be posted to FAACS in the fiscal year the asset was acquired. **This policy establishes specific procedures for the acquisition, physical control, transfer and disposal of the following:**

- Land;
- Buildings;
- Improvements other than buildings (infrastructures);
- Equipment and equipment component parts;
- Construction in progress;
- Lease Accounting System (LAS);
- Library Books;
- Software Purchases and Development; and
- Works of Art and Historical Treasures.

This policy also prescribes regulations for authorizing and tracking the location of University owned equipment used or relocated off campus.

Authority, Responsibility, and Duties

The State Comptroller promulgates policies for the capitalization and control of assets owned by state agencies and institutions. Virginia State University (VSU) is designated as a Central FAACS User. Central FAACS Users must record detailed fixed asset accounting information in FAACS for all assets owned or leased that meet capitalizable or controllable requirements.

The Fixed Asset office (located in Administrative Services) is responsible for entering VSU information in FAACS and for the inventory and control of all assets owned, leased or that fall under the responsibility of VSU. Each asset acquired by the University is required to have a Responsible Person designated for the asset. The person selected as the Responsible Person is typically an account manager or department head responsible for University financial budgets and authorized to initiate purchase requisitions.

On March 11, 1988, the Federal Government issued the *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*. This document, also referred to as the Common Rule, provides that “[Title to real property and equipment acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively.” **Therefore, assets acquired with federal funds (grants) are subject to the State Comptroller and University fixed asset policies, thereby recognizing true ownership status.]**

Definitions

CAPP – Office of the Comptroller's *Commonwealth Accounting Policies and Procedures* (CAPP) Manual.

FAACS – Fixed Asset Accounting and Control System.

Virginia State University
Policies Manual

Title: Fixed Asset Policy

Policy: 5802

Category 1: Land – is non-expendable, real property whose title is held by a state agency.

Category 2: Buildings – all real estate, excluding land, which is used for shelter, dwelling, and other similar agency purposes. The Statewide definition is any “roofed structure for permanent or temporary shelter of persons, animals, vegetation, or equipment.”

Category 3: Infrastructure – includes all improvements not specifically identifiable to an individual building other than nondepreciable improvements to land parcels such as grading or filling expenditures.

Category 4: Equipment – The CAPP Manual defines equipment as Agency property of any kind which meets the following criteria:

- Is complete in itself;
- Does not lose its identify or become a component of the building where it resides; and
- Is of a durable nature with an expected service life of more than one year.

Capitalized Assets – The asset has an expected useful life of greater than one year and the asset individually has a value or cost of \$5,000 or more at the date of acquisition. Assets meeting this criteria should be disclosed in the financial statement of the agency and the Comprehensive Annual Financial Report (CAFR) of the Commonwealth.

Controlled Assets – Tangible property that has an expected life of greater than one year and a value or cost of less than \$5,000 at the date of acquisition may be considered controllable and may be entered in FAACS. For property management purposes, controllable assets may be entered into the FAACS system, but are excluded from certain financial reports generated since these items are not disclosed in the financial statements. **To provide accountability and to help safeguard the Commonwealth’s assets, VSU has elected to track in the FAACS system, computers, printers and various other electronic assets.**

Policy Statements

Assets can be acquired in the following ways:

Acquisition:

- All equipment purchased by VSU employees, and with VSU funding, must adhere to the policies and procedures promulgated by the University’s Purchasing Department and to the rules and regulations in the Agency Procurement and Surplus Property Manual, published by the Division of Purchases and Supply (DPS), Department of General Services.
- The Central Receiving office shall immediately notify the Fixed Asset office of all new equipment received or new equipment delivered directly to a department.
- The Fixed Asset office shall tag all new equipment purchased by the University upon receipt from Central Receiving or notification of direct receipt by University departments.

Virginia State University
Policies Manual

Title: Fixed Asset Policy

Policy: 5802

Donations:

- Persons donating equipment to the University must contact the Office of Development. The Vice President for Development will meet with the Director of Administrative Services to determine whether the University should accept the equipment.
- The FAACS Property Gifts or Donation Form (**See Exhibit I**) will be provided to the appropriate department to verify that any equipment is compatible with plans approved to upgrade VSU equipment.
- The Director of Administrative Services shall contact the appropriate Vice President with a decision on whether to accept the equipment.
- If accepted, the Vice President shall sign the FAACS Property Gifts or Donations form and send copies of the approved form to (1) the Purchasing Office, (2) the Vice President for Development and (3) the Director of Administrative Services.
- The Vice President for Development shall accept and acknowledge the donation(s).
- The Fixed Asset office shall tag all equipment donated to the University immediately upon receipt or notification.
- If the equipment is not accepted, the Vice President for Development is responsible for declining the equipment and acknowledging the act of kindness.

Equipment Control

- The Fixed Asset office shall record all equipment in FAACS, usually identifying the Account Manager as the Responsible Person. The Account Manager's position number and operating budget account number shall be included for each piece of equipment for which she/he is responsible.
- The Fixed Asset office will change the "Responsible Person" in FAACS upon receipt of a Change of Responsible Person Form. (**See Exhibit II**)
- Any Department that receives equipment directly from outside sources shall immediately notify the Fixed Asset office.
- The Fixed Asset office shall take the appropriate actions, as previously specified, to tag and record the equipment in FAACS.
- The Fixed Asset office shall require each person leaving the University to sign a "clearance affirmation form" certifying that all equipment or property belonging to Virginia State University that was assigned to the person during their employment at the University remains at the University.
- The Fixed Asset office shall periodically conduct informal, unannounced inventories on capitalized and selected controlled equipment. The Responsible Person or his/her designated staff should conduct inventories annually. Biannually, the Responsible Person or his/her designated staff and the Fixed Asset office shall conduct a complete inventory of capitalized equipment.

Lost, Stolen or Damaged Equipment

- The Responsible Person shall immediately report in writing any lost, stolen, or damaged equipment to the Fixed Asset office, the Department of Police and Public Safety, the Internal Auditor, and the University Risk Manager. The University Risk Manager is located in the office of the Vice President for Administration & Finance.
- The Fixed Asset office is responsible for adjusting University records, as appropriate.

Transfer or Disposal of Equipment

- Responsible Persons shall turn in all equipment for transfer or disposal to the Fixed Asset office using the FAACS Equipment Relocation Form or the FAACS Surplus Property Form, respectively (**See Exhibits IV and V**). The Responsible Person will no longer be held accountable for the equipment after it is received by the Fixed Asset office.
- If the equipment can be used by another department on campus, the Fixed Asset office shall reassign the equipment to that department. If the equipment cannot be used by another department on campus, the Fixed Asset office will proceed with proper surplus procedures.

USE OF UNIVERSITY EQUIPMENT OFF-CAMPUS

- Virginia State University does not recommend that University equipment be removed from the campus. However, the University does encourage operational effectiveness and efficiencies. Therefore, these regulations apply to all equipment routinely relocated or used off-campus by VSU faculty, staff, students and administrators.
- The Director of Administrative Services shall administer the University's off-campus use program by recommending policies and developing and enforcing appropriate procedures. Prior approval must be obtained from the respective Vice President or Dean, prior to any equipment being removed from the University's campus. Prior to approving equipment for off-campus use, Vice Presidents or Deans are encouraged to consider the nature of the work responsibilities documented in the Employee Work Profile (EWP).
- **University owned equipment may be used off campus to conduct University business only.** All individuals using University-owned equipment must submit a FAACS Equipment Release Form (**See Exhibit III**) to the appropriate Vice President or Dean. The form must identify the person(s) relocating the equipment off-campus, the equipment that is being relocated off-campus, the destination or location of the relocated equipment while off-campus, how long the equipment is expected to be off-campus, appropriate asset description, and the reason(s) the equipment is being relocated off campus.
- The Responsible Person shall sign and date all FAACS Equipment Release forms to indicate his/her approval and provide a copy of all approved forms to the Fixed Asset office.
- The Fixed Asset office shall maintain a record of all equipment relocated off-campus.
- The Responsible Person shall notify the Fixed Asset office in writing when equipment is returned to the campus and the condition of the equipment. The Fixed Asset office shall appropriately adjust the records.

Virginia State University
Policies Manual

Title: Fixed Asset Policy

Policy: 5802

References

This policy supersedes Use of University Equipment Off-Campus Surplus, Policy No. 5300, approved by the President on December 13, 2006.

VSU Policy 5703, Record Disposal Policy

VSU Policy 5800, Equipment Inventory Policy

CAPP Manual: Topic No. 30100 – FAACS Overview

CAPP Manual: Topic No. 30200 – Asset Acquisition

CAPP Manual: Topic No.30300 – Asset Classification

CAPP Manual: Topic No. 30800 – Asset Disposal

CAPP Manual: Topic No. 31100 – Federal Asset Accounting

Approved By: _____



President

Date: _____

6-22-10

Virginia State University
Policies Manual

Title: Fixed Asset Policy

Policy: 5802

Exhibit I – FAACS Property Gifts or Donation



VIRGINIA STATE UNIVERSITY (212)
FIXED ASSET ACCOUNTING CONTROL SYSTEM (FAACS)

PROPERTY GIFTS OR DONATION FORMS

RECEIVING DEPARTMENT

DONATED BY

RESPONSIBLE PERSON

PURPOSE

PLEASE PRINT NAME

BUDGET CODE OR RECEIVING DEPARTMENT

PAGE _____ OF _____ PAGES

DATE REQUIRED	DESCRIPTION	BUILDING NAME	SERIAL NUMBER & MODEL NUMBER	ACTUAL VALUE AT TIME OF DONATION	MISC INFORMATION

Title: Fixed Asset Policy

Policy: 5802

Exhibit II – FAACS Change of Responsible Person



VIRGINIA STATE UNIVERSITY (212)
FIXED ASSET ACCOUNTING CONTROL SYSTEM (FAACS)

CHANGE OF RESPONSIBLE PERSON

NOTIFICATION FORM

TO: FIXED ASSET OFFICE

FROM: _____
(VICE PRESIDENT OR DEAN)

THE RESPONSIBLE PERSON FOR BUDGET CODE _____ HAS

CHANGED FROM _____ TO _____
PLEASE PRINT **PLEASE PRINT**

AS OF _____
DATE / YEAR

Virginia State University
Policies Manual

Title: Fixed Asset Policy

Policy: 5802

Exhibit III – FAACS Use of University Equipment off Campus



**VIRGINIA STATE UNIVERSITY (212)
FIXED ASSET ACCOUNTING CONTROL SYSTEM (FAACS)**

Policies and Procedures

Use of University Equipment Off Campus

Statement: The attached form is to be used when an item of equipment is needed to accomplish university business off campus, prior approval must be obtained from the respective Supervisor. The form is then signed by the Vice President or Dean and submitted to Fixed Asset office. The Department Head will be responsible for all equipment used off site. The form is to be submitted to FAACS Department Room 45 Physical Plant Building by FAX 5314 or mail to Box 9208.

<hr/>		<hr/>	
DEPARTMENT / ACTIVITY		BUDGET CODE	
<hr/>		<hr/>	
NAME OF USER (PLEASE PRINT NAME)		SIGNATURE OF USER	
<hr/>		<hr/>	
SIGNATURE OF IMMEDIATE SUPERVISOR		SIGNATURE OF VICE PRESIDENT OR DEAN	
<hr/>		<hr/>	
DATE ISSUED		DATE RETURNED	
<hr/>		<hr/>	
<u>VSU I.D NUMBER</u>	<u>ITEM DESCRIPTION</u>	<u>SERIAL / MODEL</u>	
<hr/>	<hr/>	<hr/>	
<hr/>	<hr/>	<hr/>	
<hr/>	<hr/>	<hr/>	
FROM		TO	
<u>BUILDING / ROOM</u>		<u>ADDRESS</u>	
<hr/>		<hr/>	
<hr/>		<hr/>	

Purpose for off-campus use: _____

Virginia State University
Policies Manual

Title: Fixed Asset Policy

Policy: 5802

Exhibit IV – FAACS Equipment Relocation Form



VIRGINIA STATE UNIVERSITY (212)
FIXED ASSET ACCOUNTING CONTROL SYSTEM (FAACS)

EQUIPMENT RELOCATION FORM

This form is to be used to REPORT THE RELOCATION, REASSIGNMENT OR TRANSFER OF EQUIPMENT FROM ONE DEPARTMENT TO ANOTHER. The form is to be submitted to FAACS immediately upon transfer. If not submitted, the transferring department will be responsible for all equipment.

DEPARTMENT TRANSFERRING EQUIPMENT

_____ DEPARTMENT/ACTIVITY		_____ PLEASE PRINT - NAME RESPONSIBLE PERSON (VICE PRESIDENT OR DEAN)
_____ BUDGET CODE	_____ DATE	_____ SIGNATURE OF RESPONSIBLE PERSON

DEPARTMENT RECEIVING EQUIPMENT

_____ DEPARTMENT/ACTIVITY		_____ PLEASE PRINT- NAME RESPONSIBLE PERSON (VP, DEAN, DIRECTOR, CHAIR)
_____ BUDGET CODE	_____ DATE	_____ SIGNATURE OF RESPONSIBLE PERSON

<u>I.D #</u>	<u>EQUIPMENT DESCRIPTION & SERIAL NUMBER</u>	<u>FROM BUILDING/ROOM #</u>	<u>TO BUILDING/ROOM</u>
_____	_____	_____	_____
_____	_____	_____	_____

Title: Fixed Asset Policy

Policy: 5802

Exhibit IV – FAACS Equipment Relocation Form



FIXED ASSET ACCOUNTING CONTROL SYSTEM (FAACS)
EQUIPMENT RELOCATION FORM

<u>I.D #</u>	<u>EQUIPMENT DESCRIPTION</u>	<u>FROM</u> <u>BUILDING/ROOM #</u>	<u>TO</u> <u>BUILDING/ROOM</u>
---------------------	-------------------------------------	---	---

Virginia State University
Policies Manual

Title: Fixed Asset Policy

Policy: 5802

Exhibit V FAACS Surplus Property Form



FIXED ASSET ACCOUNTING CONTROL SYSTEM (FAACS)

SURPLUS PROPERTY FORM

This form is to be used to **REMOVE SURPLUS PROPERTY**. The form is to be submitted to FAACS Department, Box 9208.

DEPARTMENT NAME: _____

BUILDING NAME: _____

TELEPHONE NUMBER: _____

BUDGET CODE: _____ **DATE:** _____

(PRINT) NAME OF RESPONSIBLE PERSON: _____
PRINT

SIGNATURE OF RESPONSIBLE PERSON: _____
V.P., DEANS, DIRECTORS, CHAIRPERSON

The equipment listed below is surplus to the above department. Request the equipment be removed from the FAACS Inventory for the above department. The following details are understood:

- 1. If another department can use the equipment, it will be transferred to that department and added to their inventory.**
- 2. If space is available, the FAACS staff will remove the equipment to the FAACS Warehouse, however, if space is not available and another department cannot use the equipment, the equipment will be put up for sale in its present location.**

<u>LD #</u>	<u>EQUIPMENT DESCRIPTION</u>	<u>ROOM #</u>	<u>SERIAL #</u>	<u>CONDITION</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Title: Fixed Asset Policy

Policy: 5802

Exhibit V – FAACS Surplus Property Form



**FIXED ASSET ACCOUNTING CONTROL SYSTEM (FAACS)
SURPLUS PROPERTY CONTINUATION FORM**

<u>I.D #</u>	<u>EQUIPMENT DESCRIPTION</u>	<u>ROOM #</u>	<u>SERIAL #</u>	<u>CONDITION</u>