

POLICY: Fixed Asset

POLICY NO. 295

SECTION: Accounts Payables

EFFECTIVE: 06/15/2020

APPROVED BY:

HISTORY:

295.1 Purpose

To establish guidelines for purchases of capital assets and identify the maintenance, control and protection of physical assets. Also, to develop a system for keeping track of the inventoried assets acquired through the Cal State LA University Auxiliary Services Inc. (UAS).

295.2 Policy

The Fixed Asset Policy seeks to identify, record, control and manage all existing UAS assets. Any assets purchased for the use of University Campus projects or Grants and Contracts are not considered UAS “fixed assets” as they are properly transferred to Cal State LA. Assets acquired by Sponsored Programs must be used only for those purposes authorized in the corresponding Grants or Contracts throughout the duration of the Grant or Contract.

295.3 Capitalized Asset and Threshold

A Capital Asset is defined as an asset with an original total cost of **\$5,000** or greater (total cost including all expenditures, reasonable and necessary, in acquiring or receiving the asset) with a useful life of more than one year. The asset will be identified by an UAS bar code label and tracked over the asset’s life.

295.4 Fixed Asset and Accountability

Each Operation Director/Manager is responsible for the appropriate use, safeguarding, and tracking of fixed assets and equipment. In addition, UAS accounts payable staff will monitor all expenditures to ensure that assets are properly tagged, and will forward the necessary information to the Staff Accountant to ensure that the fixed asset or equipment is tagged properly and accounted for appropriately.

295.5 Depreciation

The guidelines for the depreciation recovery period of various assets is shown in Appendix 295-A. All assets are depreciated using the straight-line method of depreciation. For Grants and Contracts, assets acquired through external funding are recorded as expenses and neither capitalization nor depreciation is required. As the assets purchased by Campus Programs they are coded as expendable equipment and transferred to the University.

295.6 Fixed Asset Tracking and Tagging

All fixed assets that are \$5,000 or more, whether depreciated or expensed, should be tagged with a bar code assigned by the UAS Financial Services Office.

1. Tracking Expensed Fixed Assets

A fixed asset that is expensed with an original cost less than \$5,000, but greater than \$500, will be inventoried and tracked by the Financial Services Office.

2. Tagging Expensed Fixed Assets

Fixed assets that are acquired for use by UAS should be tagged and monitored by the Financial Services Office if they have a useful life greater than one year and meet the following criteria:

- a) Technology equipment (such as computer, laptop, printers, cash registers, fax machines, TVs, cameras, refrigerators, etc.);
- b) All theft-sensitive equipment.

3. Untagged Assets

Categories of assets, which may be departmentally monitored but are not usually tracked by the Financial Services Office:

- a) Land improvements;
- b) Building support systems;
- c) Furniture and Fixtures;
- d) Tools;
- e) Construction in progress;
- f) Items that are fixed or non-movable, such as workstations, stocking shelves, overheads and file stands.

Campus Programs and Grants and Contacts purchases that are considered fixed assets, and are used by University departments, will be transferred to the University on a quarterly basis. The Asset will be tracked by UAS accounting office until its transferred to the University. A form to transfer the asset should be prepared. The form will be sent with copies of supporting documents such as the purchase order, check request, and invoice.

4. Bar Code Tagging Responsibility

As part of the fixed assets acquisition process, the Staff Accountant will affix the bar code label on the fixed asset. The bar code labeling identifies an UAS fixed asset by a unique 10 digit number. As a monitoring and identification device, bar code labeling provides an effective tool for managing and tracking fixed asset inventory.

295.7 Grants and Contracts Program Assets

The equipment belongs to neither UAS, nor the University, until the Grant or Contract is complete and a final report has been accepted. Grants and Contacts purchases that are considered fixed assets and are used by University departments will be transferred to the University on a quarterly basis. As a result, the University Office must keep records, and an inventory, of all equipment purchased from

the Sponsor/Grantor. At the end of each project, the equipment either remains with the University or is returned to the Sponsor/Grantor.

295.8 Asset Information Updates

In Compliance with Executive Order 813, lost, stolen, or destroyed property must be reported to the Executive Officer, Chief Financial Officer, or Controller by the next business day following any incidence of actual or suspected theft.

295.9 Periodic Inspection and Update

A physical inventory will be conducted annually to verify the fixed asset records. Each project will be sent a list of all tagged fixed assets under their control, as shown in the fixed assets system. It is the responsibility of the Project Manager/Director to visually identify each asset on the record. When the verification process has been completed, the Director should sign the report, thereby certifying that the report accurately contains all fixed asset information. The original report should be returned to the Accounting Services Office. The Financial Services Office has the audit responsibility to ensure the integrity of the fixed assets inventory.

Asset	Description (Appendix 295-A)	Recovery Period
Awnings & Canopies	Readily removable overhang or covering, often of canvas or plastic, used to provide shade or cover over a storefront, window, or door; or used inside a structure to identify a particular department or selling area. Also includes canopies designed to protect customers and gasoline fueling equipment from weather conditions and to act as advertising displays that are anchored with bolts and are not attached to buildings or other structures. Does not include canopies that are an integral part of a building's structural shell, such as in the casino industry, or over docks.	5 Years
Beverage Equipment	Equipment for storage and preparation of beverages and beverage delivery systems. Beverage equipment includes the refrigerators, coolers, dispensing systems, and the dedicated electrical, tubing or piping for such equipment. The dispensing system may be gravity, pump or gas driven. See also Refrigerated Structures .	5 Years
Computers	Processors (CPU), direct access storage device (DASD), tape drives, desktop and laptop computers, CRT, terminals, monitors, printers, and other peripheral equipment. Excludes Point of Sale (POS) systems and computers that are an integral part of other equipment (e.g. fire detection, heating, cooling, or energy management systems, etc.).	5 Years
Building or Building Component	All building and/or building components	39 Years or the term of the lease agreement
Kiosks	A small retail outlet, often prefabricated, which acts like a fixed retail outlet yet is not permanent. Kiosks may be used to retail merchandise such as newspapers and magazines, film and digital images, and food and beverages.	5 Years
Office Furniture, Fixtures, and Equipment	Includes desks, chairs, credenzas, file cabinets, tables or other furniture such as workstations. Also includes telephone equipment, and other communications equipment. Does not include communications equipment included in other asset classes.	7 Years
Point of Sale (POS) Systems	A register or terminal based data collection system used to control and record all sales (cash, charge, COD, gift cards, layaway, etc.) at the point of sale. Includes cash registers, computerized sales systems and related peripheral equipment, satellite systems, scanners, and wands.	5 Years
Refrigeration Equipment	Includes refrigeration units, condensers, compressors, accumulators, coolers, pumps, connecting pipes, and associated	

Asset	Description (Appendix 295-A)	Recovery Period
	wiring. Refrigeration equipment is commonly found in climate controlled rooms, walk-in freezers, coolers, humidors, and ripening rooms.	5 Years
Retail Accessories	Accessories used to better display merchandise that are not held for sale. Includes assets such as audio/video display devices, and decorative mobile props (such as coat of arms, sporting equipment or memorabilia, etc., excluding non-depreciable art, antiques or collectibles).	5 Years
Retail Conveying Equipment	Includes assets such as belt or roller conveyors and pneumatic tube systems used to distribute retail merchandise.	5 Years
Retail Equipment	Includes assets such as sewing machines, ironing equipment, pressing tables, steam presses, pinning machines, price mark guns, marking machines, work benches, power tools, check writers, endorsing machines, paper cutters, perforators, postage meters, money sorters, coin counting and dispensing equipment, and shopping carts.	5 Years
Retail Fixtures	Includes assets such as back cases or islands, cabinets, cubes, deli cases, end caps, floor stands, garment racks, gondolas, grid systems, mannequins, refrigerator /freezer cases, shelving, sign holders or stands, show cases, wall display units and other retail fixtures (such as dressing or fitting room partitions) needed in the business operation that are not a building component.	5 Years
Retail Furniture	Includes furniture unique to retail stores and distinguishable from office furniture, e.g. a high stool in a cosmetic department, a shoe department footstool, a hair salon barber chair, or a bench outside a dressing room. See also Office Furnishings .	5 Years
Security Systems	Electronic article surveillance systems including electronic gates, surveillance cameras, recorders, monitors and related equipment, the primary purpose of which is to minimize merchandise shrinkage due to theft. Also includes teller-style pass-through windows, security booths, and bulletproof enclosures generally located in the cash office and customer service areas.	5 Years
Other	UAS corporate office may determine at the time of acquisition that an asset may have an estimated life longer or shorter than the life stipulated above.	