

ASSET MANAGEMENT POLICY

Purpose

The purpose of this policy is to safeguard and maintain effective internal controls and proper records of assets owned by Schreiner University. The primary function of our fixed assets system is to provide control and accountability over the University's assets. The Financial Services office will review and update these policies and procedures on an annual basis.

Scope

This policy applies to all Schreiner University employees, and community members who utilize Schreiner University resources. It covers all tangible items purchased by or donated to Schreiner University having a value of greater than **\$5,000** and a useful life of greater than one year. The VPPF and the Controller are responsible for the oversight of this policy.

Policy

The Controller is responsible for developing and administering property management processes and the data integrity of the fixed assets system. Each department head or their delegate, is responsible for maintaining physical control and maintenance over all assets (inventoried and non-inventoried) purchased and assigned to their department. Departments are responsible for developing internal procedures to control the use and distribution of all assigned assets to the unit.

Definitions

Custodian- the person that is responsible for the asset and/or has the asset in his/her possession.

Asset Value-the acquisition cost of an asset calculated.

- 1) without regard for trade allowance
- 2) including installation and/or calibration charges
- 3) freight and educational/other discounts are taken into consideration.

Capital Asset- item or equipment which meet all the following criteria:

- 1) asset value over five thousand dollars (\$5,000),
- 2) a useful life of greater than one year.
- 3) legally considered either real or personal property.

FAS- Fixed Assets Software used to record and account for all capital assets.

Property – any asset, material, equipment, or supply belonging to the Schreiner University.

Procurement, Receiving, and Delivery of Property

The Schreiner University “Procurement Policy” should be followed when acquiring assets. Employees must use their best judgment in purchasing equipment that they are able to place in service for use by Schreiner University within 30 days of receipt of such assets. All purchase orders reference “fob destination” which means that the university is not responsible for goods that arrive damaged or unsatisfactory. Schreiner University becomes responsible for all property upon satisfactory receipt of the goods. The technology staff is responsible for delivering and installing all IT related property.

Construction in Progress

Costs associated with the construction or renovation of facilities are recorded as construction in progress. Cost typically includes all costs of construction including architectural and engineering fees, actual construction costs, and equipment/fixtures which are an essential part of the facility. Construction in progress is not subject to periodic charges for depreciation. When construction or renovation has been completed, as evidenced by the issuance of a certificate of occupancy or other documentation, costs are transferred to a property, plant, and equipment account and periodic depreciation charges begin.

Recording Capital Assets

The Senior Accountant will monitor monthly expenses to determine if expenses qualify as an asset. The Senior Accountant will assign a property tag number to the asset and will record the information in FAS. Items that have not been placed in service (within the fiscal year in which they are purchased) will be classified as other assets. The asset will be tracked and recorded in FAS at the time they are placed in service. Senior Accountant and custodian will communicate regarding asset details.

- The custodian is responsible for considering maintenance agreements when suitable in an effort to extend the life of the equipment and to minimize the cost for repairs and replacement.
- The custodian is responsible for appropriate warranties to ensure that equipment or improvements that become defective are replaced and/or repaired by the vendor.

Property Identification

The Senior Accountant is responsible for placing asset tags on Schreiner University property as appropriate, unless delegated. Equipment that cannot be tagged are recorded in FAS and assigned a special number for identification purposes. The IT Department staff is responsible for tagging all equipment purchased and received by their department.

Disposition of Capital Assets

For all disposals, the “Asset Disposal/Transfer Request Form” (located in Common Forms-SchreinerOne) must be completed and sent to the Senior Account for verification that the asset is in FAS. The Senior Accountant will then submit the completed and verified form to VPPF for final approval. Once approved for disposal the Senior Accountant will notify requestor. **IMPORTANT: Assets are not to be disposed of without VPPF approval.** If the property is a capital asset, it will be marked as disposed in the fixed assets system. The disposal of technology-related property must first be verified and approved by the IT Department Technical Operations Manager then submitted to Senior Accountant for disposal in FAS. The methods of disposal vary as follows:

- **Sale of Asset-** If the VPPF believes that the value and marketability of the item(s) being disposed would generate revenue for the University, a request should be made for the University to directly sell the property. The request will be evaluated by the Controller to determine feasibility. Revenue received from the sale of property will be deposited to revenue BLI determined by Controller.
- **Trade or Trade-In** – Schreiner University encourages the use of trade-in opportunities where the trade-in produces the best value. Approval from the VPPF must be obtained prior to generating a purchase involving a trade in. The Senior Accountant will update FAS to reflect the trade-in.
- **Obsolete/Damaged-** If an asset becomes obsolete or broken, then an attempt must be made to recycle or re-use the parts. After approval from VPPF, proof of disposal must be submitted to Senior Accountant for items recycled outside of the campus recycling center to ensure it was handled properly.
- **Donation-**An asset that is no longer useful and can be utilized by another non-profit agency may be donated upon approval from the VPPF by submitting “Asset Disposal/Transfer Request Form” to the Senior Accountant.
- **Lost or Stolen Property:** If property is discovered missing, the custodian must contact the Senior Accountant and the Campus Security Department in writing indicating the item missing and the circumstances under which the item was lost or stolen. Appropriate measures will be taken by the Campus Security Department if theft of property is realized. If theft of the University’s property takes place off campus, then the custodian must file a police report and present a copy to Financial Services office to be cleared. If it appears that the item may still be on campus, but has just been misplaced, it will remain on the inventory until the next full physical inventory. If it is not found in the next inventory, the item will be removed from the inventory.

- **Casualty:** The VPPF will file a claim directly with the University's casualty insurance agent due to the loss of property caused by a natural disaster, flood, fire, accident, theft, etc.

Transfers

Transfer of assets between departments/locations must be reported by the custodian within five business days by completing the "Asset Disposal/Transfer Request Form" and submitting it to the Senior Accountant.

Loan of University Assets

Any loans or temporary removal of any Schreiner University property requires **prior authorization**. Complete "Asset Disposal/Transfer Request Form" and submit to Senior Accountant for approval process.

Physical Inventory

The Senior Accountant will perform an inventory of assets annually. Spot checks may be performed throughout the year if deemed necessary. A list of capital assets is generated by department for verification by their designated staff member. Once the list is verified, it is signed off by the department head and submitted to the Senior Accountant by the date specified. The Senior Accountant will then perform a spot check of random items per department as a follow-up for internal control purposes. Every 3rd year the Senior Accountant will perform a complete inventory campus wide to account for all assets. The Controller reports all findings/recommendations to the President and the Board of Director's Audit Committee upon completion of the inventory.