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UNIVERSITY PROPERTY GUIDELINES

1.0 PURPOSE

The Integrated California State University Manual (ICSUAM) Property Policies of the CSU System require campuses to develop standardized procedure to facilitate accurate record keeping related to the acquisition, maintenance, control and disposition of University property. A strong campus-wide commitment and control system is required to insure proper care, use and disposal of University assets. The property guideline, forms, processes and documents were created to maintain a uniform accountability for all campus property.

2.0 DEFINITIONS

2.1 Capital Equipment

Any **single item** with acquisition cost of \$5,000 inclusive of tax, shipping cost and installation, is a capital asset.

Equipment is capitalized when the following three conditions are met:

- A. Tangible and intangible property (e.g. computer software) valued at \$5,000 (e.g. two identical items totaling up to \$5,000 does not meet the criteria in order to be capitalized.)
- B. Have a minimum useful life of at least one year or greater.
- C. Be used to conduct University business.

Applicability

This policy applies to all assets that meet the definition of capital assets.

- A. Items purchased to place a structure into service (i.e. must be evaluated as capital assets.
- B. All items purchased using revenue bonds; capital outlay funds and federally funded equipment are capital assets.
- C. Library acquisitions are capital assets regardless of the dollar amount of the item.
- D. Detailed guidelines on capitalization of assets are in the Capital Assets Guide issued as part of the CSU GAAP Reporting Manual.

2. 2 Non-Capital Equipment

“Non-Capital Equipment” is equipment that does not meet the capital equipment requirement as defined as tangible that meets the following criteria:

- A. Equipment threshold valued at \$3,000 but less than \$5,000 including tax, installation and shipping cost per unit.
- B. Must have a minimum useful life of one year or greater.
- C. Is used to conduct University business.
- D. Sensitive/high risk equipment in nature subject to theft or loss (e.g. computer equipment.)

2.3 Instructional Equipment

Instructional equipment is purchased for academic instruction purposes. Property that is not properly accounted for, impacts negatively on the campus allocation. The following meets the criteria for instructional equipment:

- A. Instructional equipment value of at least \$500 but less than \$5,000 including installation, shipping, tax and installation cost.
- B. Must have a minimum useful life of two years or greater.
- C. Not permanently attached or incorporated in CSU buildings and grounds.
- D. Must be tracked for the purpose of the “Equipment Inventory Report” required by the CSU Chancellor’s Office.

2.4 Intangible Asset

This category of assets lacks physical substance. An example of intangible assets includes; computer software, license including website, contracts, leases, patents, copyrights and trademarks.

2.5 Accounting Record

A complete asset list is maintained for the campus including land holdings, buildings and building improvements, non-building improvements, infrastructure improvements, works of art, construction work in progress, capitalized equipment and library collections. The data stored includes the asset tag (if applicable), date acquired, description, purchase order number (if applicable), location description, and life of asset, cost, fund and depreciation. Non-capital property is accounted as expenditure.

2.6 Property Inventory Control

Internal control of university property will not be exclusively the responsibility of the campus Property, but collectively the campus as a whole.

Worksheets used in the property physical inventory will be retained for audit, show the date of inventory and the names of individuals’ responsible. Adjustment and reconciliation will occur after the physical count has been completed.

2.7 Asset Management System

The Common Financial System (CFS) in Asset Management module, record and track capitalized asset acquisitions. The equipment information criteria includes: description of the item, purchase order (if applicable), asset tag number (if applicable), and location information for reporting purposes and depreciation calculation.

3.0 RESPONSIBILITIES

3.1 Department

Each College, School, and Department has the primary responsibility for the custody, care, maintenance, records and control of all property acquired. The department Property Control Designee shall maintain current records and initiate the appropriate actions to inform Property of all transactions including disposals, warranty equipment return and exchange, inter-department transfers so that responsibilities are properly carried out. Warranty information and supporting documentation is to be maintained by the responsible department. Departments for the purpose of accountability may request tagging of certain equipment that does not meet the acquisition cost of less than \$3,000. Notify the Campus Police and Property immediately in case of lost/missing equipment, misuse of property and/or damaged equipment. University faculty or staff must seek approval from University Advancement before accepting any gift or equipment offered to the campus. Advancement will notify Property.

3.2 Property

The campus Property Coordinator is responsible for the operation of campus wide inventory control system primarily with the identification, classification, accounting and disposition of campus property. This includes inventory data entry, tagging, tracking and maintaining the accuracy of data in Asset Management in (CFS) to meet the criteria for the CSU and State of California reporting, maintenance of the inventory records and disposition of campus capital assets including but not limited to, identifying non-capital assets. As mandated by the CSU, Property must perform campus-wide physical inventory at a minimum of once in every three years as required to reconcile campus inventory records. The Property Coordinator submits property survey requests to the Property Survey Board Committee for disposition approval as well as manages activities in public auction sales, transfers and property disposals/disposition on campus. The Property Coordinator is responsible for updating the Fixed Asset Accountant when capitalized equipment is disposed.

3.3 Accounting

The Fixed Asset Accountant in Accounting ensures the integrity of all capitalized assets financial data, including recording transactions relating to the acquisitions, disposals, transfers, write-offs, Construction Work in Progress (CWIP), depreciation and reconciliation to book the variances as needed, and records journal entries for capitalized assets additions, deletions and changes made into the general ledger. The general ledger (GL) records for each asset category should match the subsidiary entries that are made at a summary level. The subsidiary asset database records are at an asset level and should be reconciled to the GL summary.

3.4 Property Survey Board Committee

The Property Survey Board Committee (PSBC) consists of appointed members from the campus divisions that are responsible for determining the disposition of surplus property. The PSBC serves and represents the campus best interest when assets are disposed. The PSBC fully approves suggested dispositions that will be used in the disposal process. A list of the members is included as attachment A. A minimum of two members of the PSBC must approve all Property Survey Reports (STD. 152) and Transfers of Location (STD. 158) State forms. This committee also approves equipment donations, transfers to other CSU campuses, state agency and to non-profit organizations.

3.5 All Employees

Each member of the campus community has a general obligation to safeguard and make appropriate use of University property. This obligation includes but not limited to: exercising reasonable care in equipment use to prevent damage and maintaining equipment in good working condition. All employees take reasonable security precautions to discourage loss, theft, or misuse of property and must report lost, stolen and/or damaged property to Campus Police and/or Property Coordinator upon discovery. In addition each employee must inform their supervisor when using personally owned equipment. The University is not responsible for any damage to personally owned property. Separation of employment for property clearance must be obtained before receiving final pay compensation.

4.0 ACQUISITION OF PROPERTY

Equipment may be acquired through purchase order, lease purchase, procurement card purchase, donation, transfers or fabrication.

4.1 Purchase Order

The cost includes the purchase price plus all costs to acquire the property such as; installation, warranty, shipping charges and applicable tax. Procurement card (Pcard) is also used to purchase low dollar goods and services. The purchase of a new or used vehicle for the campus or auxiliary organizations shall include a survey of other campuses to determine if a similar vehicle is available for transfer.

4.2 Central Shipping/Receiving

Equipment that meets the asset category upon receipt must be tagged when possible upon receipt before delivery to the appropriate department. No property should be delivered directly unless prior arrangements have been made. When equipment is delivered to the department or the department picks up the equipment directly from the vendor, it is the responsibility of the department to notify Shipping and Receiving of the delivery. Shipping and Receiving will notify the Property Coordinator of equipment received that meets tagging criteria or when tagged property will be leaving the campus.

4.3 Donation (Gifts-in-kind)

Any non-profit organization may qualify for donation to and from the University. The organization or department must coordinate with University Advancement to ensure acceptance requirements are met and the gift is properly acknowledged and recorded, using a fair market value when the gift is received. Any gift valued at \$5,000 and above, is added to the inventory system. Advancement must obtain the fair market value from the donor who is responsible for determining the value including the cost of appraisal. Delivery arrangement, installation, maintenance or repair is the responsibility of the donor or the department receiving the gift.

4.4 Inter- Campus Equipment Transfer

When equipment or vehicles are transferred between departments, the transfer must be documented by both departments. The new responsible department information will be updated in the inventory record.

4.5 Transfers to another CSU campus, state agency or non-profit organization

A Property Transfer Report form should be completed both by Property and the Agency or Campus when receiving or transferring equipment. The acquisition value and accumulated depreciation should be provided to the receiving agency for their records.

4.6 Off-Campus Use of Equipment

If any University equipment is to be used off-campus, by an external organization or individual, the employee must complete a **Home Use Permit** and have prior approval from the department. Generally, University equipment is loaned to an employee exclusively for University business. When the equipment is returned, responsible parties must acknowledge the return.

4.7 Personally Owned Equipment

If a University employee keeps personally owned equipment on campus, it should be reported to the department head and identified as the property of the owner. The University is not responsible for any damage or loss of personal property.

5.0 INVENTORY OF EQUIPMENT

Accounting and Property staff are responsible for ensuring that all capitalized assets are properly accounted for and identified. The department, owner of the fund is responsible for the proper use, care and custody of the equipment.

5.1 Equipment Tagging

Equipment tagging includes: capital equipment, non-capital equipment, instructional equipment including computer and sensitive equipment. Departments may request tagging of equipment which does not meet the capital/non-capital definition for the purpose of identifying and tracking inventory. The Technology and Communications Division is responsible for tagging laptop/desktop computer including other sensitive equipment.

5.2 Acquisition Data

Information on the asset management database includes: the date of purchase, purchase order number, department responsible and the account number used for the purchase. The property is tagged when certain conditions are met. The asset tag remains affixed as long as it is owned by the university and only to be removed when sold, scrapped or disposed. If the identification tag is missing or accidentally removed, the property must be re-tagged.

5.3 Equipment Description

The description of the equipment in the property inventory includes make and model, asset tag number, serial number, location, as well as asset type, category and class. This information is needed for the purpose of asset reporting and depreciation.

5.4 Location of Equipment

The location of equipment in use is identified in the asset tag inventory database. The current location record and movement is maintained and updated as a result of the physical inventory performed on campus. However, the responsible department shall notify University Property Coordinator of any changes in location of equipment between inventories.

5.5 Depreciation

Depreciation information includes useful life, depreciation method, rate, schedule and the cumulative depreciation rate.

5.6 Physical Inventory

The University is required to conduct physical inventory of capitalized and non-capitalized assets once in every three years. A computer printout is developed and is reconciled with the inventory records. The summary will include initials of parties and completion date. Any property discrepancy not accounted for during the physical inventory will be surveyed as lost or, missing property. Discrepancies after the physical inventory will be noted on the physical inventory form. Printouts and lists used to take inventory are dated and initialed by the inventory taker and retained for audit.

6.0 DISPOSITION OF PROPERTY

Each campus is expected to conduct best practices and internal controls when disposing of surplus property. Once an item is approved for disposal, it may be offered for sale at public auction, donated to a non-profit agency, transferred to another CSU, or offered to other departments on campus.

6.1 Property Survey

In order to dispose of equipment and property at end of life or to delete equipment from the property inventory records, a process known as a “survey” must be completed. The survey process includes, but is not limited to lost or missing equipment, sale, trade-in, transfer, re-purpose, donate, or salvage. These are the most common types of disposition.

6.1. 1. The department completes a “Property Survey Request Form - stating the reason for disposal, furnishing the description of the item, asset tag number (if applicable), and serial number (if applicable).

6.1. 2. The University Property Coordinator reviews the written request, arranges the pick-up of the item, prepares a Property Survey Report, then presents the report to the Property Survey Board Committee for review and approval for disposal.

6.1. 3. The final disposition of tagged capitalized and non-capitalized equipment when disposed is retired in asset management system and from the inventory record.

6.2 Traded-in Equipment

The responsible department must request approval whenever equipment is intended to be traded-in. The original purchase order or acquisition used to acquire the equipment must be known before any action taken. The asset tag (if applicable) must be removed before the equipment leaves the campus. Any monetary value from the vendor receiving the equipment must be included in the trade-in document and monetary credits must go back to the funding source.

6.3 Public Sale of Equipment

University surplus property may be offered or advertised for sale to the general public auction or through a public auction website. Other methods to dispose state-owned property may include “sealed bid.” In this case, the University must secure at least two to three competitive bids to bring the highest cash return. The bids must be attached to the property survey report when sold. State employees may participate in public sales providing they do so in the same manner as the general public. Employees may not use their position, office or prestige to their advantage when participating in sales of materials, nor may they participate in the auction on State time.

6.4 Surplus Sale Proceeds

Proceeds from sold campus assets will be distributed as follows:

6.4.1. If the proceeds of a “single” item are \$1,000 or less, the money will be deposited by Business and Financial Affairs to be used to offset the cost of relocating, storage, advertising, disposal, shipping and miscellaneous supplies incurred to dispose of the property on campus.

6.4.2. If the proceeds are more than \$1,000, the proceeds above the \$1,000 go back to the funding source.

6.4.3. If the asset was originally gifted to Foundation and then transferred to the University, all proceeds will be returned to Foundation.

6.5 Surplus Warehouse

The Surplus Warehouse is the temporary staging location for equipment and furniture surveyed by the department. The warehouse may temporarily hold furniture for later use by the department up to 3 months contingent upon space availability. If not retrieved after such date, the furniture may be offered to the campus for re-use or disposed otherwise.

6.6 Lost/Stolen Property

When a determination has been made that University property has been lost or stolen, the individual or department accountable for the property must immediately notify the Campus Police and Property. A copy of the Police Report and Property Incident Report will be kept on file for at least four years. Employees may be charged for damaged or loss of property if attributed to negligence and unauthorized use. Corrective action will be implemented to prevent future occurrences.

6.7 Abandoned/Unclaimed Property

It is the policy of the CSU, title 5 sections 42375 and 42376 of the California Code of Regulations that designates each campus to provide the opportunity for unclaimed, lost or abandoned property to be claimed by the rightful owner.

6.7.1 Property shall be held for at least ninety (90) days.

6.7.2 Bicycles chained on bike racks that look abandoned (i.e. rusty, flat tires, parked at the same location for up to 2 semesters) will be removed a week prior to the end of the academic year. A notice will be posted on the bike before the bicycle is removed. If not claimed by the rightful owner, the bicycle becomes the property of the University to be utilized through the established recycling program on campus.

6.7.3 Thereafter, all unclaimed property, except *cash*, can be offered for sale at public auction to the highest bidder.

6.7.4 Auction proceeds from the sale, shall be awarded to established university programs. (e.g. Foundation or Scholarships).

6.7.5 Unclaimed cash found by University employee must be turned in to Lost and Found at the Campus Police. If the cash is not claimed within 3 month period, it becomes the property of the campus to be used for Scholarships or Student Loans.

6.8 Discarded, Scrapped, or Dismantled for Salvage

When equipment is proposed to be salvaged for parts by the department, the equipment must be surveyed and the disposition must reflect on the property survey report.

7.0 ADDENDUMS

7.1 Capitalized Asset Guideline

7.1.1 Purpose

To provide guidelines for recording capital expenditures, placing the capital assets into service and disposing of capital assets.

7.1.2 Applicability

The guideline applies to all assets that meet the definition of capital assets.

7.1.3 Procedure – Placing Asset in Service

All capital assets are recorded directly to the general ledger each month with an Accounts Payable voucher or journal entry. These assets are coded to the capital asset accounts by department and fund.

Fiscal Services will identify and analyze all capital asset transactions for appropriate coding and re-classification to non-capital equipment if necessary.

At a minimum, copies will be made of the invoices, checks, and/or journals for these transactions.

The following data will be entered into the PeopleSoft Asset Management module: asset tag, date acquired, asset description, purchase order number, life of the asset, cost, location description and fund.

Depreciation expense will be calculated once the asset is recorded in the asset management module.

The campus uses a half-life depreciation methodology.

The assets and depreciation will be recorded in the SCO fund 997 prior to year-end.

The data in the PeopleSoft Asset Management will be reconciled with the Property Inventory records on a quarterly basis.

7.1.4 Procedure – Disposal of Assets

The Property Coordinator will notify Fiscal Services when a capital asset has been disposed.

All documentation relevant to the disposal will be provided to Fiscal Services by the Property Coordinator.

Fiscal Services will adjust both the PeopleSoft Asset module as well as recording the disposal in SCO fund 997.

7.2 Home Use Permit (Equipment Loan) Guideline

7.2.1 Purpose

In order to secure University property, any employee issued a campus laptop and/or equipment, regardless of location must complete a Home Use Permit. The Home Use Permit identifies the employee and the off campus location where the property may be used. This ensures that the property is used properly and returned to the campus in a timely manner. The employee, the employee's supervisor must keep a copy on file for the purpose of reconciliation.

7.2.2 Employee Identity

The Home Use/Equipment Loan form identifies the employee, the employee's department, work location and employee's phone number.

7.2.3 Employee Responsibility and Acceptance

The Home Use Permit states the responsibilities of the employee which states that the employee may be liable for any loss or damaged to the property due to negligence and unauthorized use.

7.2.4 Property Description

Description of the property includes: location, description of equipment, asset tag number, serial number and purchase order used.

7.2.5 Property Returned/Exchanged

The employee is responsible for notifying the department supervisor when the property is returned.

7.2.6 Employment Separation

If an employee separates from the University, the employee must complete the established separation and clearance process. The employee will assume financial responsibility for any unreturned equipment.

7.3 Property Survey Board Members (Attachment A)

7.4 Listing of Capital and Non Capital Assets Account Numbers (Attachment B)

8.0 Property Contacts:

Vacant - University Property Coordinator
Office: (805) 437-8551

Valerie Patscheck - Director, Procurement and Logistical Services
Office (805) 437-8878

9.0 Property Forms and other Related Documents and Resources



Title	Website Link
California State University Channel Islands, Property Guidelines and Forms	http://www.csuci.edu/procurement/
CSU Administration of Property Guidelines	http://www.calstate.edu/icsuam/sections/3000/3150.01.shtml
Applicable Federal and State Laws, Codes and Regulations	http://sam.dgs.ca.gov/TOC/8600.aspx