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FIXED ASSETS

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**POLICY STATEMENT**

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Delivery Services acquires records, maintains, and disposes of fixed assets. Each operating unit is responsible for the following university procedures to achieve accurate capital asset reporting and compliance with government requirements.

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**REASON FOR POLICY**

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The purpose of this policy is to outline how the university complies with government regulations and accounting industry standards, and how it supports accurate reporting of the physical assets used to conduct its mission.

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**ENTITIES AFFECTED BY THIS POLICY**

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Entities affected include all units, university employees and volunteers, students and impacted members of the community.

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**WHO SHOULD READ THIS POLICY**

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- Deans, Directors, and Department Heads
  - Unit Managers
  - Any employee associated with purchasing or receiving materials at the University of Nevada, Las Vegas
  - Employees involved with fixed asset acquisition and control
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**WEBSITE ADDRESS FOR THIS POLICY**

<http://www.unlv.edu/depts/delivery/FixedAssetsPolicy.doc>

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## RELATED DOCUMENTS

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Board of Regents Equipment Policy

Chancellors Memorandum 01-03

OMB Circular A-133

OMB Circular A-21

OMB Circular A-110

Department of Delivery Services Policy concerning the receipt of accountable parcels

Department of Delivery Services Policy concerning Surplus Property

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## CONTACTS

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If you have questions about specific issues, contact the following individuals.

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Director of Delivery Services	Michael Lawrence	(702) 895-1180	Mike.Lawrence@unlv.edu
Property Control Supervisor	Glenn Pugh	(702) 895-0859	Glenn.Pugh@unlv.edu
Property Control Office		(702) 895-1447	
Gifts-in-Kind	Chuck Wined	(702) 895-2835	Chuck.Wines@unlv.edu
Grants and Contracts	Rochelle Athey	(702) 895-1357	Rochelle.Athey@unlv.edu
Insurance	Michael Means	(702) 895- 5735	Michael.Means@unlv.edu
Bar Coding	Property Control	(702) 895 – 0859	<a href="http://www.unlv.edu/cgiwrap/delivery/rfb.php">http://www.unlv.edu/cgiwrap/delivery/rfb.php</a>
Surplus Property	Property Control	(702) 895 – 0859	<a href="http://www.unlv.edu/cgiwrap/delivery/pmr.php">http://www.unlv.edu/cgiwrap/delivery/pmr.php</a>

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## DEFINITIONS

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These definitions apply to these terms as they are used in this policy.

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<b>Accumulated Depreciation</b>	Total reduction in value over time of an asset since its acquisition, which is recorded for financial statement purposes.
<b>Acquisition Cost/Value</b>	Value of an asset at the time it is acquired. May be the invoice price or, if donated, the fair market value. Also included are costs incurred to place the asset into service (examples: freight, installation).
<b>Additions</b>	Acquisition of new assets, or modifications to existing assets that increase the useful life or the service potential of these existing assets. Examples include addition of a wing to a building or installation of a central air conditioning system in an office.
<b>Appraised Value</b>	Estimated value of an asset based on the expertise of a qualified independent appraiser.
<b>Bar Code Tag</b>	Asset identification tag assigned and affixed to an asset to assist in its identification and the physical inventory of equipment.
<b>Book Value</b>	Difference between the acquisition cost and accumulated depreciation. At the time of acquisition, book value equals acquisition cost. For gifts, it is the market value at the time of donation.
<b>Capital Asset</b>	<p>Tangible, permanent item with a life of at least two years that is held for purposes other than investment or resale and has a value of:</p> <ul style="list-style-type: none"><li><input type="checkbox"/> \$5,000 or more, for moveable equipment</li></ul> <p>There are six types of capital assets: moveable equipment, fixed equipment, buildings, building components, land, and improvements other than buildings.</p>
<b>Capitalize</b>	To record the cost as an asset that is subject to depreciation over its estimated useful life, rather than as an expense for one accounting period.
<b>Depreciation</b>	Method for allocating the cost of buildings and equipment over time. Generally accepted accounting principles and federal regulations dictate that the value of capital assets must be written off as an expense over the life of the asset.

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## DEFINITIONS CONTINUED

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<b>Disposition</b>	Final status of an asset when it is removed from the inventory of assets and no longer physically located on site (examples: sale, scrap, donation, transfer to another unit, etc.).
<b>Expense</b>	Charge incurred for the current fiscal period.
<b>Fixed Equipment</b>	Equipment permanently affixed to a building, but separate from the building itself. Examples include light fixtures, wall-to-wall carpeting, and raised flooring.
<b>Gift-in-Kind</b>	Donation to the university of a tangible or intangible asset other than cash or securities. Can be something consumable, such as office equipment or supplies; or something with a longer duration, such as books, artwork, or copyright interests.
<b>Inventory Tag Number</b>	Sequential number generated by the Capital Asset System that is unique to each item of equipment.
<b>Market Value</b>	Cost to acquire an item in its current condition through an arm's-length transaction. Also referred to as "fair market value."
<b>Moveable Equipment</b>	Item that is neither permanently affixed to nor part of a building. Examples include centrifuges, copiers, oscilloscopes, vehicles, etc.
<b>Obsolescence</b>	Factor to consider when determining the disposition of assets. Assets are obsolete when no longer useful to the university.
<b>Scrap Equipment</b>	Item that can be discarded as worthless or broken down into parts for disposal or salvage.
<b>Software</b>	Entire set of programs, procedures, and related documentation associated with a computer system.  <input type="checkbox"/> Note: Personal computer operating and application software included with a purchase of a computer system (hardware) as part of the base system price will be considered part of that hardware system, and the related software will be included in the value of the hardware.
<b>Surplus Equipment</b>	Item that is no longer needed or required.
<b>Useful Life</b>	Period over which a capital asset has use to the university in performing the function for which it was purchased. May be determined by a schedule of averages for a particular class of assets.

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## RESPONSIBILITIES

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**Department Head**

The Department Head is responsible for the equipment assigned to his/her department. This general responsibility includes responsibility for control, accountability, inventory, and maintenance of all equipment purchased for, transferred to, donated to or assigned to the department.

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**Purchasing Department**

The Purchasing Department is responsible for acquiring equipment and for supplying all information necessary for accountability.

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**Property Control**

The Property Control Department is responsible for:

- Tagging equipment
- Making periodic inventories of University equipment
- Maintaining the master file of University equipment
- Providing other departments with forms referred to in this manual
- Disposing of or re-utilizing equipment turned in by a department as surplus

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## OVERVIEW

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### **General Comments**

The University of Nevada - Las Vegas Property Control Division that is primarily responsible for the accountability of all university Fixed Assets.

These assets must meet the criterion specified by the policies and goals put forth by UNLV, the NSHE Board of Regents, and the State of Nevada - Governors Office. (Title 4 – Chapter 10) and by the Nevada Revised Statutes (NRS Volume 17 – Chapter 333 – Section 220 and NRS – Volume 21 - Chapter 396 – Section 436).

The University of Nevada, Las Vegas obtains fixed assets in pursuit of its mission. To comply with federal regulation and generally accepted accounting principles, this policy sets forth the requirements for acquiring, disposing of, and accounting for these assets, as well as the definitions of different types of capital assets.

### **Stewardship**

Department Heads are principally responsible for stewardship of university assets under their control.

Responsibility of fixed assets involves basic safeguarding and physical security, compliance with university, state, and federal record keeping requirements, keeping assets in good working condition, and using them safely and properly.

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## PROCEDURES

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### **Procurement**

Procurement is made by the following methods:

#### **Purchase**

The purchase of equipment from outside vendors is made in accordance with the University's standardized purchasing procedures.

Equipment purchases should normally be charged to expenditure object 65/30 and sub-object E1 the Department of Property Management will account for purchased equipment using data supplied by the Purchasing Department.

**Transfer** By mutual consent, one department may transfer equipment to another department. In all cases, these transfers must be reported in writing to the Property Control department using a Property Movement Request (PMR) **signed by both departments**. If the proper forms are not submitted, the original department will retain responsibility for the equipment transferred. Temporary interdepartmental loans of equipment (not to exceed 60 days) need not be reported.

**Donation** Direct acquisition of equipment by a department through donation should be reported in writing by the UNLV foundation department. The report from the Foundation should include estimated fair market value of the donated equipment should be reported as "Unit Cost", and the report should include the name and address of the donor (to insure proper recognition of the gift), building and room number of the donated equipment's present location and the departmental account number of the department the equipment should be inventoried under.

**Grants** Equipment related to externally sponsored grants or research is subject to the procedures in this manual and to other more stringent control procedures prescribed by the external sponsors. Effective July 1, 2008, all new sponsored grants or research equipment will be identified by a 2.Gxxxxx identification tag. Any movements of this type of equipment should be approved in advance by the Office of Grants and Contracts.

## **Identification**

**Tags** Positive identification of equipment is accomplished by the permanent affixing of small vinyl tags to each item of equipment. The identification tags will be of durable, corrosion-resistant, with a self adhesive backing. Each tag will have a unique, printed identification number. Effective July 1, 2008, all equipment for the Shadow Lane Campus will be identified by a 2.Dxxxxx identification tag and any General Service Administration equipment will be identified by a 2.Nxxxxx identification tag.

**Non - Taggable** Identification tags will not be affixed to carpets, drapes, paintings, portraits, specimens, collections, films, mattresses, items of extremely small size, or items which would be defaced by the attachment of a tag. Items in this category will be assigned a property control number and will be accounted for in the same manner as tagged items. Also, any piece(s) of equipment(s) that is purchased by the

university and is considered to be “Installed Equipment”, by Property Control, will not be inventoried. Installed equipment is considered to be firmly and permanently connected to the floor, wall, ceiling, or roof of a building.

<b>Betterments</b>	The purpose of fixed asset betterments is to make additions of equipment (e.g., installed, attached, etc.) over the inventoried dollar amount to existing asset barcode numbers.
<b>Use of Equipment</b>	University equipment is to be used solely for University activities or for activities approved and sponsored by the University. The loan of equipment to employees for personal use is expressly prohibited.
<b>Equipment Loans</b>	Loans of equipment to not-for-profit and non-political entities may be made if it is determined to be in the best interest of the institution and the public good. All loans must be documented in writing, including which entity is responsible for maintenance, and approved by the President. Each President shall submit to the Chancellor annually a list of loaned equipment. An Equipment Loan Agreement form (ELA) can be utilized for documentation of an equipment loan.
<b>Personal Property</b>	The provisions of this manual do not apply to equipment which does not belong to the University. Any person bringing personal property onto University premises retains sole responsibility for such personal property. The University is not responsible for the loss, theft, or destruction of non-University property.
<b>Conducting Inventories</b>	<p>The University is required by Board of Regents Policy to make a periodic count of all University equipment valued \$5,000.00 or more. The Department of Property Management is responsible for assuring compliance in this area.</p> <p>The inventory system maintained by the Property Control Department is the official university record of fixed assets. Accuracy of the information depends on the responsible departments to complete the appropriate forms to update the equipments status properly</p> <p>To maintain accurate inventory list the responsible department should attempt to update all equipment changes as they occur.</p>

Effective July 1, 2008, Property Control will make three attempts (in writing) to conduct its periodic inventory on a department's equipment inventory. This is due to the shortage of personnel in the Property Control Section and the number of departments on campus,

**Shortages**

It is the responsibility of each department head to reconcile the "shortage list" of all equipment not found during these periodic counts in a timely manner. Items of equipment that have not been found during periodic counts of University equipment for a period of one (1) or more years must be located by the user department. Any equipment that can not be located after an exhaustive search must be listed on the official shortage list by the University department and written off as "Lost."

The **department head is responsible** for final accounting of items of equipment not found on inventory.

**Disposals**

Department heads may request relief from accountability (using a PMR) for equipment in the following categories: obsolescence, un-repairable, no longer usable by department but still functioning. This equipment must also be turned in to the Property Control department.

**Obsolete**

Obsolete equipment excess to the department needs, unsafe, unserviceable – This equipment must be turned in to the Property Control. Never discard any equipment. (PMR) complete with ALL signatures, should be used to initiate this process.

**Trade-In**

University equipment maybe traded in when purchasing new equipment. Department heads should report any equipment traded in to the Property Control department (Never attempt to transfer an existing tag to new equipment. University policy requires supporting documentation from vendors be attached to the for equipment traded-in. Documentation for both the equipment being traded-in AND the equipment being traded for are required. Required documentation for equipment being traded-in includes:

Property Tag Number, cost of equipment, description and trade-in value received.

Required documentation for equipment being traded for includes: Purchase Order Number, cost of equipment being purchased, and description.

If the proper supporting documentation is not submitted, the equipment being traded-in will remain on inventory and the department will retain responsibility for the equipment.

### **Vandalism**

When an item of University equipment is lost, stolen, destroyed, or missing through any other cause, the department head should request relief from responsibility for that equipment within 10 days. An employee may be held responsible for the value of any item of equipment lost, stolen, damaged or destroyed through his/her negligence.

In requesting relief from responsibility, an explanatory letter containing all pertinent details, signed by the responsible person, department head, and dean or division head, must be attached to the request form. Also, in the case of thefts, a copy of the report by campus police or the law enforcement agency having jurisdiction must be attached.

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## FORMS AND TOOLS

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The following forms and tools are utilized in conducting fixed asset transactions

Name	Description
<b>Property Movement Request</b>	Use this from when transferring equipment to surplus equipment or updating the location of fixed assets.
<b>Equipment Loan Agreement</b>	An Equipment Loan Agreement form (ELA) can be utilized for documentation of an equipment loan.
<b>Request for Bar coding</b>	This form can be used to request the bar coding of a fixed asset from the property control department.
<b>Purchase Order</b>	This form is used by property control to evaluate which equipment purchased should be capitalized

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## APPENDIX A: BOARD OF REGENTS EQUIPMENT POLICY

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### Board of Regents Equipment Policy

Equipment Inventory (formerly CM 01-03)

Title 4, Chapter 10, of the Board of Regents Handbook provides that equipment that is sensitive in nature or subject to theft, and which is valued below the amount required to be inventoried, must be separately tracked by each NSHE institution. The policy further stipulates that the Chancellor shall provide a list of equipment.

Effective March 1, 2008, the following sensitive items or items subject to theft must be separately tracked by the responsible department of each NSHE institution if the items have a value in excess of \$2,000 and less than \$5,000:

1. Firearms (regardless of acquisition cost)
2. Bicycles
3. Cameras: digital, film, video
4. Cell phones, two-way radios, individual communication devices
5. Computers: desktop, servers, laptop, PDAs (regardless of acquisition cost)
6. Copy, fax and multifunctional machines
7. Lawn mowers
8. Microscopes and telescopes
9. Music systems and components
10. Musical instruments
11. Printers
12. Scales and balances
13. Televisions
14. Video: projectors, recorders, monitors

Institutions that wish to inventory additional items within the aforementioned definition may do so at their discretion.

- a. Equipment is anything tangible, other than real property, with a value equal to or more than an amount determined by the respective Purchasing Department.
- b. Each department has custodial responsibility for all equipment within its jurisdiction. Each department is also responsible for reporting all additions, deletions, and material changes in condition of equipment within their unit, to the respective Purchasing Department.
- c. The respective Purchasing Department, through its Fixed Assets Section, is responsible for maintaining and reporting records of equipment inventories. The Purchasing Department is responsible for establishing and monitoring control procedures, ensuring that purchase acquisitions of inventorial equipment are properly recorded and recording equipment disposals.

- d. Deans, directors and department heads are responsible, within their area, for reconciling annual physical inventories with periodic or special Purchasing Department reports. The accuracy of such reconciliations shall be documented by signed certification.
- e. Loans of equipment to not-for-profit and non-political entities may be made if it is determined to be in the best interest of the institution and the public good. All loans must be documented in writing, including which entity is responsible for maintenance, and approved by the President. Each President shall submit to the Chancellor annually a list of loaned equipment.
- f. Equipment that is sensitive in nature or subject to theft that is valued below the amount determined in section a. above must be separately tracked by the institution. The Chancellor shall periodically provide a list of equipment items that must be separately tracked.
- g. All equipment located at off-campus sites and used for institutional programs must be inventoried and maintained in the same manner as equipment on campus. If the institution does not control the site, written agreements must be in place with the organization that owns or controls the site.

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**APPENDIX B: ASSET TYPE AND USEFUL LIFE**

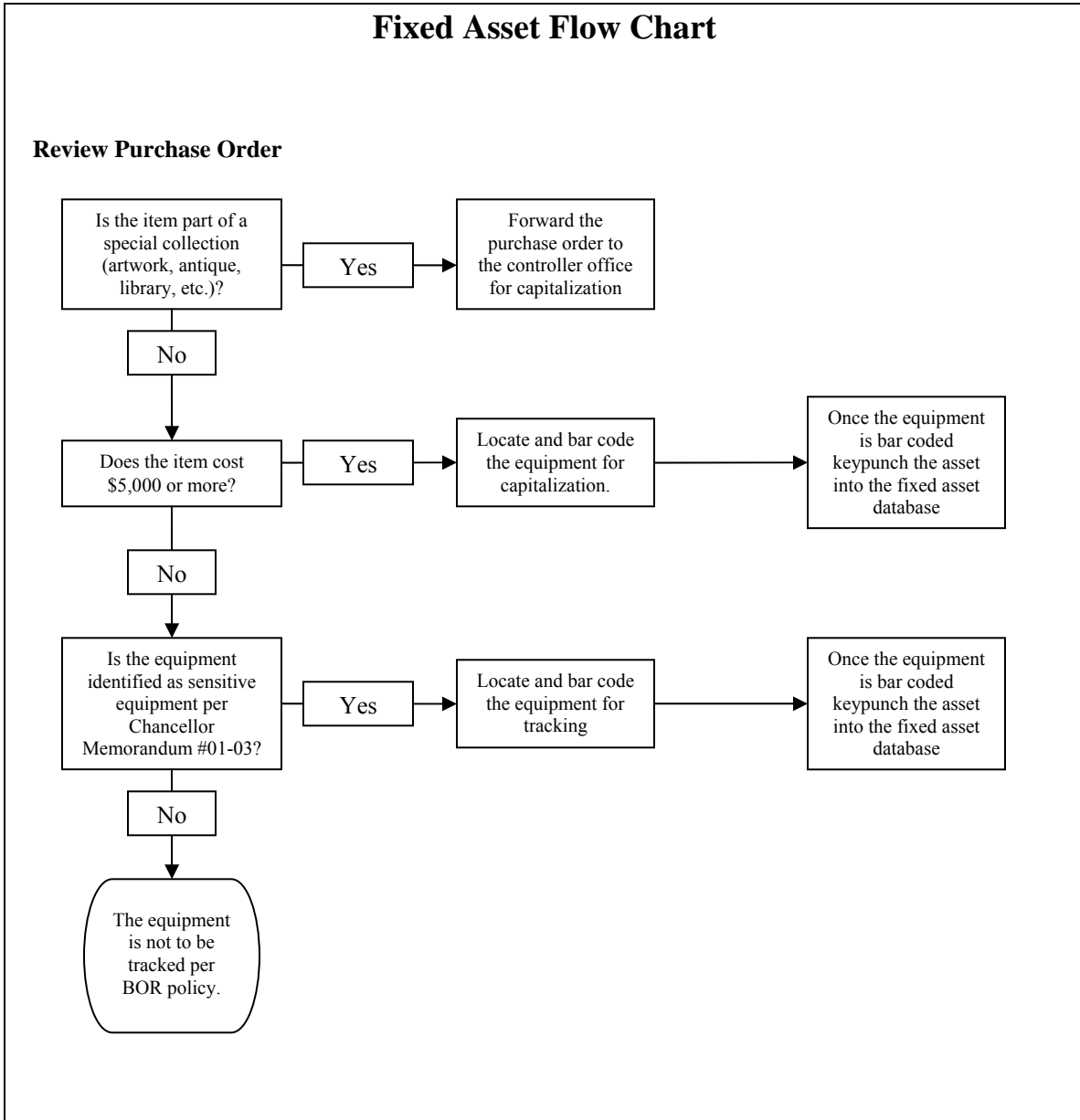
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<b>Catalog Code</b>	<b>Equipment Type</b>	<b>Asset Type</b>	<b>Useful Life</b>	<b>Depreciation Type</b>
AV10	Audio Visual Equipment	E	10	SL
BF10	Building Fixtures	F	10	SL
BL40	Buildings	B	40	SL
DH6	Data Handling	E	06	SL
GI25	General Infrastructure	G	25	SL
IM10	Improvements Other Than Building	I	25	SL
IS6	Information Systems Computers	E	06	SL
LB5	Library Books & Media	M	05	SL
LD00	Land	L		
OE10	Office Equipment/Furniture	E	10	SL
OS10	Service Center Equipment 10YR	E	10	SL
OS3	Service Center Equipment 3YR	E	03	SL
OS6	Service Center Equipment 6YR	E	06	SL
OT00	Equipment Non-Depreciated	X		
OT10	Equipment Other Than Office	E	10	SL
OT6	Information System Accessory	E	06	SL
PP11	Printing/Publishing	E	11	SL
RT6	Radio/TV Broadcasting	E	06	SL
SC15	Stone & Clay Manufacturing	E	15	SL
VB18	Vessels/Boats/Water Transportation	E	18	SL
VB9	Busses	E	09	SL
VF6	Heavy Trucks/Sweepers/Forklifts	E	06	SL
VH3	Automobiles/Vans/Taxis	E	03	SL
VH4	Light Trucks/Tractors/Trencher	E	04	SL
VM6	Motor Pool Vehicles	E	06	SL
VT6	Trailers	E	06	SL

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**APPENDIX C: FIXED ASSET FLOW CHART**

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