

# FIXED ASSETS POLICY

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## BACKGROUND AND PURPOSE

The purpose of this Fixed Asset Policy is to set forth the guidelines for the physical and reporting control of Associated Students fixed assets. The policy establishes definitions, assets valuation methods, capitalization thresholds and useful life, and depreciation method. It will provide best practices in disposing of fixed assets. The policy will assist Associated Students in gathering and maintaining information needed for the preparation of the financial statements and budget preparation. The guidelines assigns responsibility to the area of Business, Administration & Finance for the proper accounting for fixed assets at the department level and to Business

Administration Office Manager for the maintenance of the Fixed Asset Database and Accounting system. Final oversight lies with the Associate Executive Director of Business, Administration and Finance.

This Fixed Assets Policy is also intended to provide procedures for identifying, recording, controlling and disposing of fixed assets within A.S.

## POLICY STATEMENT

This Fixed Assets Policy is designed to help maintain uniform accountability of A.S.'s assets, as well as to track and keep accurate inventory records for the control, maintenance, and disposition of assets according to audit requirements. It is also intended to provide the guidelines needed to formally document the A.S.'s annual physical inventory counts and to define the procedures for the removal of sensitive information from discarded or transferred assets.

This Fixed Assets Policy is intended to increase organizational awareness of the importance of reducing the risk of loss, theft, or inadequate control over assets, especially those containing sensitive data (i.e. equipment such as laptops, stationary computers, tablets, iPads, external hard drives, etc.).

## APPLICABILITY TO THE POLICY

This policy applies to all Associated Students staff and to fixed assets from all funding sources. This policy applies to all property for which Associated Students is accountable, including property that has been purchased with outside funding. It further covers the acquisition, valuation, donation, salvaging, record keeping, custodianship, use, transfer, loan, retirement, accountability, care, modification, and reporting of all property under the Associated Student's care and custody. This policy sets out required minimum standards. Departmental policies might exist in addition to this policy and complement but may not substitute this policy.

## DEFINITIONS

Terms	Definition
<b>Associated Students (AS)</b>	The student government as San Francisco State University which serves as the official voice of students. AS promotes an enriched co-curricular student life experience and is dedicated to the empowerment of SF State's diverse student body through a commitment to social justice and shared governance. AS provides and supports services and programs, maintains fiduciary responsibility, and engages in campus-wide collaborations and external advocacy efforts.
<b>Asset Data Form</b>	Records the unique information of an asset. This shall include the asset's description, acquisition date, serial number, model number, PIN, as well as the asset's location, total cost, tax, freight and installation, if any.

<b>Asset Reports</b>	Fixed assets inventory lists.
<b>Auxiliary Business Services (ABS)</b>	A unit of the University Corporation (UCorp at San Francisco State University) that maintains asset lists and financial records for AS.
<b>Fixed Asset Database</b>	Software management system that records the unique information of fixed assets and maintains up-to-date information for the control, maintenance, and disposition of fixed asset records.
<b>Inventory Removal Worksheet</b>	Formally authorizes and documents all assets that need to be transferred to another program and/or removed from inventory; also verifies that sensitive data has been deleted from assets that are either being discarded or transferred.
<b>Property Identification Number (PIN)</b>	A unique asset identification tag affixed to each asset with a purchase price of three hundred dollars (\$300) or more.
<b>Tag #</b>	Alternate name used to refer to the Property Identification Number (PIN)
<b>University Police Department (UPD)</b>	A proactive professional police agency dedicated to providing a safe environment for the San Francisco State University campus community

## CAPITALIZATION AND DEPRECIATION PROCEDURES

### A. Capitalization

Non-Depreciable Capital Equipment = a fixed asset that has a purchase value of more than three hundred dollars (\$300) and less than four thousand nine hundred ninety-nine dollars (\$4,999).

Depreciable Capital Equipment = a fixed asset that has a cost value of five thousand dollars (\$5,000) or more. A useful life greater than three years will be capitalized and tracked on a depreciation schedule by Auxiliary Business Services (ABS).

### B. Depreciation

Computers and computer-related equipment are generally depreciated over a three-year life. Furniture, fixtures and equipment are generally depreciated over a five to ten year life. Building improvements are depreciated over their estimated useful life. All assets are depreciated using the straight-line method. Depreciation shall be calculated and posted to the general ledger by Auxiliary Business Services (ABS).

## TAGGING AND ANNUAL INVENTORY PROCEDURES

### A. Tagging

Upon approval and acquisition, all fixed assets must be received through the Business Administration Office for

tagging and entry into the fixed assets inventory lists (Fixed Asset Database) which shall include the asset's serial number, model number, A.S. inventory number (PIN), as well the asset's description, location, total cost, tax, freight and installation, if any. The Business Administration Office is responsible for maintaining a sequential number log, which provides a unique PIN used to tag all new fixed assets including moveable items.

Each Program Director/Manager's administrative duties include acting as the authorized custodian for the fixed assets located in their area and is responsible for ensuring that all new fixed assets have been properly tagged. They will also be held accountable for the custody and proper use of all assets within their area until authorized to either transfer the assets to another Program/Department or remove them from inventory, in accordance with the procedures defined in the Inventory Removal Worksheet.

### **B. Fixed Assets Annual Inventory**

A complete physical inventory of all assets must be conducted and documented during the month of June of each fiscal year. The Business Administration Office will access the records in the Fixed Asset Database, and will print a detailed Asset Report of each program's assets; prepare a memo with specific annual inventory guidelines and the inventory completion deadlines. During the first week of June, each Program Director/Manager will receive their respective Asset Report and the procedures memo to start their annual inventory.

It is the fiduciary responsibility of the Program Director/Manager to visually identify every item on the Asset Report, mark directly on the Asset Report any substantive changes in an asset or its location and note disposed of or missing assets utilizing the Inventory Removal Worksheet. The Program Director/Manager will compare and reconcile their physical inventory with the asset Report. Once the process of reviewing the physical inventory is finalized, the Program Director/Manager must sign the Asset Report indicating the date that the inventory was conducted, attach Inventory Removal Worksheets if any, and return them to the Business Administration Office. The Business Administration Office will review the Program's inventory, conduct a visual check of the items, and certify on the same Asset Report that the inventory was conducted according to procedures.

Items physically inventoried but not listed on the Asset Report will be marked as "found" and added to the Program's accountability. Discrepancies between the Asset Report and the assets in the Program's possession may be attributed to equipment transferred to another Program, discarded without the proper documentation, lost or stolen. If assets are not located during scheduled inventory, the Business Administration Office will request the respective Program Director/Manager's assistance to conduct a thorough internal search. If assets are still not located within 30 calendar days of the notification, a follow-up report will be submitted to the Associate/Assistant Executive Director who will either authorize the asset(s) to be surveyed and removed from the Program's responsibility or will recommend other appropriate actions which could involve contacting the University Police Department (UPD) if deemed necessary.

All Program Directors/Managers are required to use the Inventory Removal Worksheet to formally document all equipment and furniture that need to be discarded or reallocated to another program, or found to be lost or stolen. The Inventory Removal Worksheet also includes a step to verify that sensitive data has been deleted from assets that are either being discarded or reallocated.

The Executive Director will instruct the Business Administration Office to conduct the organization's annual physical inventory according to procedures.

Once the annual physical inventory is completed, reconciled, and the Fixed Asset Database updated, the Business Administration Office will run an Asset Report for all depreciable assets surveyed and will forward a copy of the report to the Executive Director for review and approval. Subsequently, a copy of the approved Assets Report will be sent to ABS, who will then reconcile the report against their financial records.

## **PROCEUDRES FOR DISPOSAL OR TRANSFER OF FIXED ASSETS**

### **A. Fixed Assets Disposal**

Fixed Assets can be disposed of if damaged or no longer useful. Before any fixed asset can be disposed of, the Program Director/Manager must complete and sign an Inventory Removal Worksheet and submit it to the Business Administration Office to ensure the integrity of the fixed asset detail. The Inventory Removal Worksheet requires the approval of both the Program Director/Manager and the Associate Executive Director of Business Administration and Finance before any assets can be disposed of and/or removed from their respective Program's inventory.

Prior to any asset disposal/removal, the Information Technology (IT) Department will verify that sensitive data has been deleted from assets such as laptops, stationary computers, tablets, iPads, external hard drive, etc., and sign the respective section of the Inventory Removal Worksheet.

The Business Administration Office will coordinate the disposal/removal of equipment according to the procedures and will also ensure that the Fixed Asset Database is updated accordingly.

ABS must be informed of any asset disposal with a purchase value of \$5,000 or more. The Business Administration Office will ensure that a signed copy of the Inventory Removal Worksheet authorizing the disposal is sent to ABS within 5 business days from the asset's disposal.

### **B. Fixed Assets Transfer**

Fixed asset transfers between Programs or Offices must be reported by the Program/Office transferring the fixed asset as a "disposal of" and by the Program/Office receiving the fixed asset as an "acquisition". Both the transferring and receiving Program/Office must submit an Inventory Removal Worksheet to the Business Administration Office in order to verify the transfer process. The Program Director/Manager and the Associate/Assistant Executive Director must sign the Inventory Removal Worksheet.

Prior to any asset transfers between Programs, the IT Department will verify that sensitive data has been deleted from assets such as laptops, stationary computers, tablets, iPads, external hard drive, etc., and sign the respective section of the Inventory Removal Worksheet.

The Business Administration Office will coordinate the asset transfer and update the Fixed Asset Database to record the asset removal from the transferring Program's inventory followed by its inclusion in the receiving Program's inventory, or its transfer to storage.

## **LOST OR STOLEN EQUIPMENT**

Whenever equipment is discovered to be missing, lost or stolen, the following actions shall be taken:

- a. The Program Director/Manager or the individual responsible shall immediately report the missing or lost equipment to the Business Administration Office.
- b. The Business Administration Office shall notify the Executive Director for follow-up action to be taken such as research of negligence, obtaining additional information through internal investigation, preparing an Inventory Removal Worksheet, and initiating insurance claims if appropriate. The Business Administration Office shall also notify UPD to obtain a police report and assist the Program Director/Manager or the individual responsible to complete the UPD Equipment Loss Report.
- c. Within one week of reporting to UPD, the Business Administration Office shall determine if negligence was involved. The Business Administration Office shall request the assistance of the Human Resources (H.R.) Department to collect applicable equipment replacement costs from the personnel involved when the loss is due to negligence. The Executive Director will receive a report of the results and notify the BOD at its next scheduled meeting if deemed necessary.

## **SECURITY AND UTILIZATION OF FIXED ASSETS**

Programs Directors/Managers and staff shall take reasonable precautions to adequately safeguard A.S. property. Security measures will vary depending on the nature and use of the assets. Rooms containing assets that are not permanently attached or secured shall be maintained under lock and key when not in use. To the degree practicable, small expensive items shall be kept in locked cabinets/desks and so forth. Assets should not be removed unless procedures are followed and documented in the Inventory Removal Worksheet.

Property not receiving adequate utilization should be reported to the Business Administration Office for recommendation to the Executive Director for redistribution.

## **INVENTORY RECONCILIATIONS TO FINANCIAL RECORDS**

For the purpose of inventory reconciliations to financial records, the Executive Director will be responsible for submitting the Asset Report to ABS after the fixed asset annual inventory check has been performed.

## **CONTACT INFORMATION**

Questions related to the daily operational interpretation of this policy should be directed to the following program:

**Business, Administration & Finance Office**

Telephone: (415) 338-1484



**ASSOCIATED  
STUDENTS**  
SAN FRANCISCO STATE UNIVERSITY

(415) 338-6092

(415) 338-6441

## FORMS

Attachment A: Asset Tagging Procedures

Attachment B: Fixed Assets Annual Inventory Memo

Attachment C: Asset Report (Asset Inventory List)

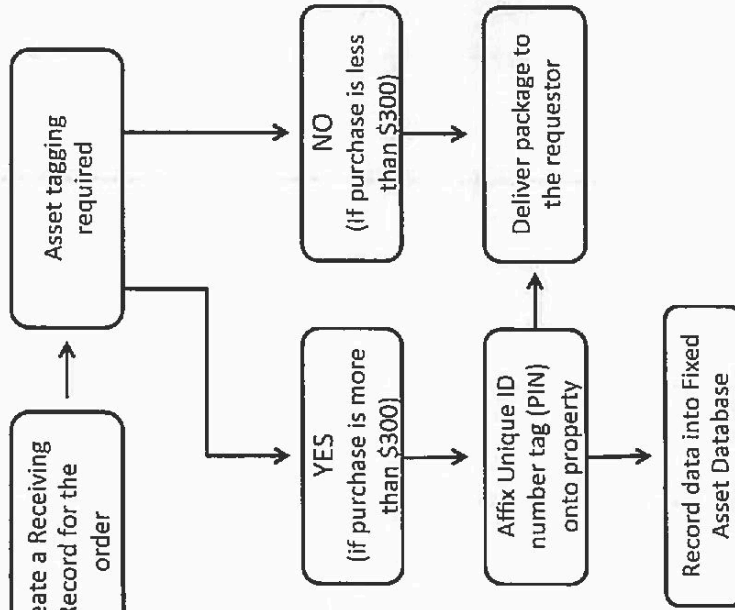
Attachment D: Asset Data Form

Attachment E: Removing Inventory Worksheet



Attachment A:

Associated Students Assets Tagging Procedures



**Receiving**

Steps to be taken for tagging property when a package is delivered to the Business Administration Office

**Tagging**

Upon receipt of goods, tag each item with a Associated Students Property Identification Number (PIN) tag

**Inventory Asset Information**

Information to be recorded into the Fixed Asset Database:

- Item/model
- Description
- PIN Number
- Vendor Name
- Year Purchased
- P.O. Number
- Invoice Number and Date
- Individual who will be accountable for the item
- Program/Department responsible for custody of the item
- Location of item
- Total Cost
- Comments if any



Attachment B:



ASSOCIATED STUDENTS INC.  
SF STATE UNIVERSITY

DATE: June 29, 2015

TO: Directors and Managers

FROM: Alejandro Rios, Business Manager  
Zoila Baltodano, Office Manager

RE: **Annual Assets Inventory 2014-2015**

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Your Program is on schedule to formally document its annual equipment assets inventory. Please review the attached Asset Report for fiscal year 2014-2015.

It is the fiduciary responsibility of the Program Director/Manager to visually identify every item listed on the Asset Report, record any substantive changes in an asset or its location, note disposed or missing assets and make a list of any new qualifying assets which have not been tagged. All items appearing on this report should be marked with the following letter code next to their respective property identification (tag) number:

**O.K:** STILL IN USE

**N.F:** NOT FOUND

**T:** TRANSFERRED to another Program

As per CSU audit recommendations, Associated Students has introduced a revised form called "Removing Inventory Worksheet". All Programs are required to use this form in order to formally document all equipment and furniture dispositions, transfers, donations, etc. This form should also document the disposition of equipment assets containing sensitive data (such as laptops, stationary computers, tablets, iPads, external hard drives, etc). Please find attached a copy of this form and refer to it as needed.

Please review and approve the Asset Report and return a signed copy to the Business Office in Room C-134 before July 15, 2015. Should you have any questions or need an extension of the above deadline please contact the Office Manager at x8-1484 or at [zoila@asi.sfsu.edu](mailto:zoila@asi.sfsu.edu) or [arios@asi.sfsu.edu](mailto:arios@asi.sfsu.edu).

Thank you for your cooperation in keeping our inventory information as accurate as possible.



Attachment C:

**SAN FRANCISCO STATE UNIVERSITY  
ASSOCIATED STUDENTS  
Asset Report FY 14-15**

VERIFIED/DATED BY: \_\_\_\_\_

APPROVED/DATED BY: \_\_\_\_\_

Equipment	Year Acq'd	Depr	Cost	Location	Issued to	Manuf. Serial No.	Property Identification (Tag) No.
Depository Sale	01-02	Yes	\$615.00			BC 328961	
Depository Sale	01-02	Yes	\$1,390.00			BC 331453	
Sate	03-04	Yes	\$1,705.00			BC-603303	
Task Chair	07-08	Yes	\$139.99				
Task Chair	07-08	Yes	\$139.99				
Task Chair	07-08	Yes	\$139.99				
High Back Leather Chair	07-08	Yes	\$216.99			n/a	
Mid-Back Task Chair	07-08	Yes	\$120.85			n/a	
iMac Computer	09-10		\$1,158.51				
iMac Computer	09-10		\$1,158.51				
iMac Computer	09-10		\$1,158.51				
Hana Security Safe	09-10	Yes	\$1,106.25				
Brother Laser Printer MFC-7360N	11-12	Yes	\$432.90			U62700H1N783124	
Bill Counter AB550 Value Extension	11-12	Yes	\$571.56			(99)AB5500A(13)11	
Bill Counter AB550 Value Extension	11-12	Yes	\$571.56			(99)AB5500A(13)11	
Macbook Pro Air 13 3 1.7GHz 128GB	11-12	Yes				CO2G6CG6CGWD	
HP Laser Jet Pro Printer	18-14	Yes	\$129.95			VND3K87144	
iMac Desktop computer 21.5"	13-14	Yes	\$1,454.10			CO2M2M2591FB12	
Vacuum Cleaner	14-15	Yes	\$108.50			K14A	

**SAMPLE**



Attachment D:

**ASSOCIATED STUDENTS**  
*San Francisco State University*  
**Asset Data Form**

<b>Description</b>	<b>Modification Date:</b> Mar 15, 2017
<b>Equipment:</b>	<b>Category:</b>
<b>Description:</b>	<b>Year Purchased:</b> FY
<b>Manufacturer's Serial No:</b>	<b>PO Number:</b>
<b>AS PIN No:</b>	<b>Invoice Date:</b>
<b>Vendor Name:</b>	<b>Invoice Number:</b>
<b>Location</b>	INV
<b>Program:</b>	<b>Location:</b>
<b>Expected Life (Accounting):</b> years	<b>Purchase Price:</b>
<b>Expected Life (Operations):</b> years	<b>Current Value:</b>
<b>User:</b> <i>User Comments:</i>	
<b>Maintenance Record</b>	<b>Depreciable (y/n):</b>
	<b>Status:</b>
<b>Date</b>	<b>Comments</b>
	<b>Cost</b>

Record Preview

Record Creation

PRESS for listing by Category or Department



Attachment E:



ASSOCIATED STUDENTS INC  
SF STATE UNIVERSITY

## REMOVING INVENTORY WORKSHEET

PROPERTY DESCRIPTION		
Property Description: _____	Property Location: _____	
A.S. Property Identification Tag #: _____	Program: _____	
Manufacture's Serial #: _____	Date of Request: _____	
DESCRIPTION OF REQUEST		
<input type="checkbox"/> Broken beyond repair	<input type="checkbox"/> Public Sale	
<input type="checkbox"/> Cannibalization for Parts	<input type="checkbox"/> Retained for Limited use	
<input type="checkbox"/> Discarded / Obsolete	<input type="checkbox"/> Transferred to another Program	
<input type="checkbox"/> Lost / Stolen (please file an Equipment Loss Report with UPD, as per AS Fixed Assets Policy)		
Please provide a brief description of the request:		
_____		
_____		
REQUESTING SIGNATURE		
The undersigned requests to have the equipment listed above removed from their Program's inventory and verifies that all conditions in the Associated Students Fixed Assets Policy have been met.		
Program Director/Manager _____	Date _____	
AUTHORIZING SIGNATURE		
Responsible Associate/Assistant Executive Director _____	Date _____	
BUSINESS ADMINISTRATION USE ONLY		
Property Record NOT FOUND in Database <input type="checkbox"/>		
Fiscal Year Purchased: _____	Tracked By / Date: _____	
Recorded Purchase Price: \$ _____	Notification Sent To ABS On: _____	
Current Book Value: \$ _____		
SENSITIVE DATA REMOVED BY INFORMATION TECHNOLOGY (only if applicable)		
Name _____	Signature _____	Date _____
ASSET MOVEMENT/AND/OR DISPOSAL PROCESS		
<input type="checkbox"/> Equipment Relocated To: _____		
	Program Name _____	Received By _____
<input type="checkbox"/> Property Identification Tag # Removed		
<input type="checkbox"/> Asset Removed From Inventory		
<input type="checkbox"/> In Storage Awaiting Final Destination		
<input type="checkbox"/> Furniture Sent To Recycling		
Asset Relocation/Inventory Removal Approved By:		
Name _____	Signature _____	Date _____

Last Updated: August 2015

**FIXED ASSETS POLICY APPROVAL AND REVISION HISTORY**

Fixed Asset Policy was Approved by the AS Board of Directors on	05/06/2004
Fixed Asset Policy was Revised and Approved by the AS Board of Directors on	01/27/2016