I. **PURPOSE:** This procedure establishes a process to maintain fixed asset records in accordance with CSU Fullerton Auxiliary Services Corporation’s (Auxiliary Services) Fixed Asset Policy #140. This procedure also addresses the maintenance, control, and protection of fixed assets.

II. **SCOPE:** This procedure applies to the Auxiliary Services capitalized and expensed fixed assets (defined below) in operation funds (10, 20, 40). Fixed assets are property, such as equipment, buildings, and real property that have an expected useful life of more than one (1) year.

- Capital assets are those with an original total cost of $5000 or greater (total cost including all expenditures reasonable and necessary in acquiring or receiving the asset) with a useful life of more than one (1) year. All capital assets are depreciated using the straight-line method of depreciation.

- Expensed equipment is those with the original total cost less than $5000, but greater than $500 (between $500 and $5000) including technology equipment (such as computers, laptops, cash registers, TVs, cameras, etc.) and movable, theft-sensitive equipment.

III. **OBJECTIVE:** This is to ensure proper administration of all fixed assets for appropriate use and safeguarding by maintaining accurate and timely inventoried asset records by each department.

IV. **PROCEDURE:** Each operation director/manager is responsible for: approving asset purchases and invoices; monitoring appropriate use; and safeguarding and tracking of all fixed assets in their department. Invoices approved must be forwarded to Account Payable (AP) staff in Financial Services for processing. Directors/managers must notify AP staff whenever an asset is purchased, permanently transferred to other departments, or disposed, sold, damaged or stolen.

When a fixed asset is acquired, the accountant will provide and affix a barcode label with a unique 10-digit number which identifies it as an Auxiliary Services asset. This barcode is a means to manage and track fixed asset inventory.
Directors/managers must submit a completed and signed Interdepartmental Property Transfer Form (IPTF) to Financial Services for each asset that is tagged in their area whenever an asset is permanently transferred to other departments, or disposed, sold, damaged or stolen. The information on the form will be used by the accountant to add or update fixed asset information to the accounting system.

**Fixed Asset Tracking & Tagging**

**Depreciated Capital Assets ($5000 or greater).** The accountant will monitor the general ledger monthly to ensure capitalized asset are added to the accounting system before monthly depreciation is calculated. The accountant will also verify the asset is tagged with an accompanying FAEA form. All capitalized assets will be depreciated over its useful life upon delivery to its location for service.

**Expensed Equipment (more than $500 but less than $5000).** The AP staff will monitor all expensed equipment to ensure that the necessary information is forwarded to the accountant. The accountant is responsible for adding the expensed asset into the accounting system and verifying that it is tagged with an accompanying FAEA form.

**Fixed Asset Information Updates**

**Transfer of Fixed Asset Inventory.** Directors/managers must approve any transfer of fixed asset inventory. The Interdepartmental Property Transfer Form (IPTF) form must be completed, signed, and submitted (with the Auxiliary Services fixed asset barcode tag) to the accountant to verify and update an asset in the system. The updated IPTF will then be uploaded to the accounting system.

**Sale & Disposition of the Fixed Asset Inventory.** When an Auxiliary Services asset is sold or disposed, a director’s approval is required. The Fixed Asset Equipment Acquisition/Disposal (FAEA) form must be completed, signed, and submitted (with the Auxiliary Services fixed asset barcode tag) to the accountant to verify and remove an asset in the system. If the asset is sold, a copy of the check or payment must be attached. The updated FAEA will be uploaded to the system.

**Lost, Stolen or Destroyed Property.** If equipment becomes missing, lost, stolen, or vandalized, the incident must be detailed and reported to the executive director and director of financial services immediately or by the next business day. If the incident includes loss of information (on the asset or equipment), IT must also be notified. The accountant will validate the loss, stolen or destroyed property with the Property Loss/Stolen/Destroyed Report (PLSDR) and update the system after approval from the director of financial services and/or executive director.

**Change in Property Custodian.** Each director must inform the financial services department of any changes in property custodians within their respective departments. Human Resources will send financial services’ accountant notice of employee separations. Prior to the change in custodian, the transferor should conduct an inventory verification.
The financial services accountant is responsible for providing the inventory list to the new custodian and/or transferor for verification of the transferor’s assets. Once the inventory verification is completed, the new custodian and transferor (when possible) must sign an asset transfer acknowledgement form to confirm the accuracy of the inventory during the asset transfer.

The verified detailed inventory list and the signed asset transfer acknowledgement form must be sent to the financial services department before the change in property custodian. Upon receiving these documents will be uploaded to the accounting system, and the fixed asset information data updated within two (2) business days.

Additionally, equipment stolen or vandalized requires an incident report be filed: incidents occurring on campus must be filed with campus police and those occurring off-campus filed with local or City of Fullerton police. Both the police report and the PLSDR must be submitted to the director of financial services and/or executive director.

**Fixed Asset Annual Inventory Count**

**Preliminary Inventory Count.** The accountant will provide a list of fixed assets assigned to the appropriate custodian to perform a preliminary inventory count. Confirmed inventory will be checked off on the list and any missing/disposed assets will be communicated with the accountant.

**Physical Inventory Count.** After the asset custodian returns the preliminary inventory count list completed and signed, the accountant will schedule a physical inventory count with the custodian to personally verify the existence of tagged assets on the inventory list. Once the physical count is completed, the accountant will also sign the inventory list and update the system as needed. Should any assets require tags, the accountant will provide the custodian an FAEA form to complete.

**V. APPROVALS:** Director’s (or designee’s) approval is required for the purchase, transfer, and/or disposal of fixed assets. For lost, stolen, or destroyed property, the director of financial services’ or executive director’s approval is required.

**VI. CONTROL & COMPLIANCE:** An annual physical inventory and internal audit will be conducted to verify inventory records for general fund and commercial operations.

1. An accountant will distribute a list of tagged fixed asset inventory, as shown in the fixed asset system.

2. Each property custodian must identify each asset on record. When verification is completed by counting each asset, the custodian must sign the report, certifying that it accurately contains all fixed asset inventory information. The original report must be returned to Financial Services. The custodian must document and inform Financial Services staff of any discrepancies regarding the location or the existence of the asset.
3. Financial Services will update fixed asset inventory records in the accounting system based on inventory results with information provided by the custodian and verified by the accountant. The accountant must verify each inventory count and verify the report with their signature. The accountant will also update information online with fixed asset inventories that have been disposed, transferred, or changed locations. The accountant will sign and date the report after processing all changes in the system.

4. The accountant will also make sure that all pages of the signed report are saved under the corporate server. It will be retained in compliance with the retention policy.