



*Florida A&M University*

*Capital Asset Procedures*

**Office of the Controller**

**Revised June 2017**

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## **1.0 Overview**

Asset Management refers to the maintenance of accurate records of physical assets whose value and useful life meet the University's definition for capital assets. The University is responsible for maintaining accurate and current capital asset information and properly accounting for and reporting physical asset information in accordance with government regulations and accounting industry practice.

The purpose of these Florida A&M University Capital Asset Procedures is to provide direction for University employees who are responsible for marking, recording, and/or safeguarding the University's owned capital assets. All university employees are expected to comply with the procedures; developed and implemented in accordance with the following requirements:

- Florida Statutes, Chapter 273, "State- Owned Tangible Personal Property."
- Office of Management & Budget (OMB), Circular A-110, "Property Standards related to Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations."
- Federal Acquisition Circular, FAR Part 45, "Government Property."
- Florida Statutes, Chapter 1013, "Educational Facilities- Part III, Planning and Construction of Educational Facilities."
- Governmental Accounting Standards Board (GASB), "Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments."
- Rules of the Auditor General, Chapter 10.300, "State-Owned Tangible Personal Property."
- Florida Administrative Code, Rule 6, Department of Education, Section 6C3, "Florida Agricultural & Mechanical University" and Rule 69, Financial Services, Section 69I-21, "Audit & Adjustment of Accounts and Recovery of Accounts Receivable."  
(<http://www.flbog.edu/about/regulations/regulations.php>) of Board of Government, Property and Finance"

## **2.0 Definitions**

- Account- The account is a six digit number assigned to all university expenditures. When using capital outlay accounts, the expenditures must meet the capitalization threshold set by the University.
- Asset Identification (Asset ID Number) - The asset identification number is a unique number used for the identification of capital assets which is automatically assigned by the PeopleSoft Asset Management sub module.
- Attractive/Sensitive Property Items- Attractive/sensitive property is tangible personal property less than \$5,000 that is prone to theft and characterized as items that are either not secured, easily portable, contain new technology and/or are adaptable for personal use.
- Cannibalizing Equipment- Cannibalizing equipment is done when the department takes apart a piece of equipment to use the parts to repair other equipment. Note: Cannibalizing equipment cannot be done without prior authorization from Asset Management.
- Capital Assets- Capital assets includes Land, Buildings, Fixed Equipment, Infrastructure, Moveable Furniture and Equipment, Library Resources, Software, Artwork (Depreciable and Non-Depreciable) and Livestock.

- Capitalization Threshold- The capitalization threshold defines the criteria for capitalizing University assets.
- Category- The category is an eight (8) digit number selected at the time of requisition to identify items purchased. Asset category codes are mapped to a corresponding asset account number and profile ID. If assets are purchased, the department is responsible for recording the receipt of the asset in the PeopleSoft system.
- Custodian (Responsible Individual)- The University's President has final responsibility for all capital assets that are in possession of the University. Based on specific department/programs codes, this responsibility is delegated to the Vice Presidents, Deans, Directors, Chairpersons or a Designee. The person to whom this responsibility is assigned becomes the "Custodian" of the assets. All Custodians must be full-time employees with direct knowledge of the operations of the department.
- Department- Departments includes all Research Centers, Academic Departments, Non-Academic Departments and Auxiliaries.
- Fabricated Equipment- Fabricated equipment includes equipment that is constructed by individuals or departments by assembling parts or basic materials purchased. The total value of all combined parts must meet the capitalization threshold for the category of equipment in which is related.
- Fixed Capital Outlay (FCO)- Includes real property (i.e. Land, Buildings, and Infrastructure including attachments, fixtures and fixed equipment and structures) including additions, replacements, major repairs and renovations to real property which materially extends its useful life or materially improves or changes its functional use. Includes operating outlay necessary to furnish and operate new or improved facility.
- Full Cost Basis- Cost of placing an asset into service including purchase price, shipping, installation, etc.
- Government Owned- For the purpose of these procedures, government owned equipment refers to federally owned equipment.
- Property- Property is tangible personal property and computer software. Tangible personal property of a non-consumable nature which has a unit acquisition value of \$5,000 or more and an expected life of one year or more; hardback-covered bound books valued at \$250 or more that are not circulated to students or the general public, hardback-covered bound books that are circulated to students or general public; the value, which is \$25 or more; and computer software that has an absolute useful life of one year or more, and a unit acquisition value of \$5,000 or more per licensed user.
  - All costs involved with the acquisition and installation of property (i.e. shipping, set-up charges, etc.) should be included in the acquisition valued.

- All tangible personal property acquired by or for the University through purchase, fabrication, donation, transfer or loan should be recorded on the University property records and inventoried annually.
- Operating Capital Outlay (OCO)- The appropriation category used to fund the purchasing of equipment, fixtures and other tangible personal property of a non-consumable and non-expendable nature. The PeopleSoft system account code range for identifying OCO items is the 75XXXX series.
- Identification (Property or Decal) Number- The tag number is a number assigned to an item by Property Management or by the Asset Management sub module in the PeopleSoft system. This number is printed on a paper decal that is placed on moveable equipment. Once the decal has been placed, it is not to be removed by departments.
- Profile- the Asset Profile is a 4 digit code used to identify an asset's estimated useful life (number of years an asset can be depreciated).

Books > \$250- Non-Circulated	20 years
Furniture	15 years
Motor Vehicles	15 years
Aircraft/Helicopter	15 years
Motor Cycles	5 years
Golf Carts Scooters	3 years
Motor Vehicle Equipment	15 years
Marine Engine	10 years
Boat/Airboat/Canoe/Raft	15 years
Boat/Utility/Equipment Trailer	15 years
Communication	15 years
Office Equipment/Copier/Fax	15 years
Computer Equipment	5 years
Photo/Video/Sound/TV	10 years
Engineering Equipment	15 years
Agricultural Equipment	15 years
Laboratory Equipment	15 years
Recreational/Athletic	15 years
Musical Instruments	15 years
Radiation Control Equipment	15 years
Scientific Equipment	7 years
Air Conditioning/Cooling Equipment	15 years
Plumbing/Sewage/Plant	15 years
Medical/Dental Equipment	10 years
Modular Buildings	15 years
Food Service Equipment	15 years
Household Equipment	15 years
Drapes	20 years
Maintenance/Repair/Equipment	15 years
Weapons/Body Armor	15 years
Printing/Mail/Processing	15 years
Materials/Handling Equipment	15 years

Radio/TV Station Equipment

15 years

- Title (Ownership) of Property- The University owns all property acquired with funds administered by or under the control of the University. Title to assets purchased with federal funds may reside with the granting agency during the life of the contract or grant. Once a contract or grant has expired and if the granting agency no longer has a need for the property, title will revert to the University. Assets meeting the capitalization threshold will be tagged regardless of funding source.
- Property Survey Board- Consists of 8 members from the University Community. The Board reviews, interprets and recommends the final disposition of all University owned equipment. The Board is appointed in accordance with Section 273.05, FS.

### **3.0 Responsibilities**

**Central Receiving Department** is responsible for the receipt and delivery of all accountable equipment purchased at Florida A & M University. Central Receiving will prepare a receiving report prior to the delivery of the equipment to the ordering department. Once the department inspects and accepts the equipment, the department's fiscal representative receives the equipment in the PeopleSoft system in order to allow Accounts Payable to process the invoice.

**Custodians** are individually assigned responsibilities for each department's capital assets. The custodians are responsible for ensuring that the University's assets assigned to them are adequately protected against loss, damage or theft. This includes:

- Locking equipment (including attractive items) in secured locations.
- Perform adequate maintenance and upkeep of equipment.
- Training staff on procedures for properly handling equipment ( i.e. moving, transferring and cannibalizing equipment).
- Locking doors when rooms are not in use.
- Not letting equipment sit idle for extended periods of time.
- Storing equipment in environmentally suitable locations to prevent corrosion, contamination and damage of sensitive parts.

**Office of Procurement Services** is responsible for procuring the goods, services, and equipment, including issuing purchase orders from approved purchase requisitions, updating and maintaining the vendor file, and reviewing the allow ability of purchase requests. With respect to the purchase of assets, the Office of Procurement Services is also responsible for verifying that the purchase requisition categories and account codes are appropriate for an asset purchase and that an asset profile is included on the requisition prior to issuing a purchase order.

**Contracts and Grants Accounting** must approve transfers and dispositions of property acquired with contract or grant funds.

**Fiscal Representatives** are departmental representatives assigned to process travel and purchase requisition requests in the PeopleSoft system. Fiscal representatives are responsible to:

- Initiate the acquisition in the system (purchase requisition).
- Validate the chart fields, check available budget and ensure the purchase is allowable.

- Promptly enter verification of the receipt, inspection and approval of purchased goods and/or services into the PeopleSoft system in accordance with Prompt Payment requirements.

**Property Management Office** is responsible for ensuring that the requirements of Section 273.02, Florida Statutes (FS), are met. The statute requires that the University make a complete physical inventory of all property annually, that the inventory is compared with the University's property records, and that all discrepancies be traced and reconciled.

**General Accounting (GA) Staff** is responsible for the accurate recording of all capital assets and depreciation, which includes reconciliation of OCO accounts with the Asset Management sub-module and ensuring all expenditures (OCO and FCO) are equivalent to final year-end balance sheet amounts. GA staff also assists in reconciliation of construction projects funded by state PECO or capital improvement trust funds, and capital improvement revenue bonds.

**Facilities Planning & Construction (FPAC)** approves, manages and reconciles construction expenditures by project-for both major and minor construction projects. Responsibilities include maintaining COIPs and assisting with submission of PECO disbursement requests (form-442) and encumbrance requests (form-352).

## **4.0 General Procedures**

### **4.1 Purchasing Assets**

#### **4.1.1 Departmental Fiscal Representatives**

- Initiate the purchase requisition in the PeopleSoft system, ensuring the appropriate category, asset profile and account codes are used.
- Obtain the required approval signature (electronic) for the asset requisition, including Sponsored Research approval for purchases made from grants.
- Perform a budget check of the requisition in the PeopleSoft system to pre-encumber funds and submit the requisition to the purchasing office for processing.
- Receive assets in the PeopleSoft system within 5 days of the actual receipt, inspection and approval of the goods and services.

#### **4.1.2 Office of Procurement Services**

- Facilitates the asset procurement process, including the researching costs, contacting vendors, and negotiating prices.
- Purchasing Office staff verifies the asset purchase requisition information:
  - Verify the chart fields are correct
  - Verify the categories are correct, including assets and asset categories;
  - Verify the vendor information;
  - Verify the required approvals are acquired, including Sponsored Research approval for purchases made from grants.

#### **4.1.3 Property Management Office**

- Provide information on any usable surplus property that may be available for transfer to departments in lieu of a purchase.

## **4.2 Receiving Assets**

- Central Receiving department receives the asset, reconciles the packing slip to the purchase order, notifies Property Management that an asset has been received, and delivers the asset to the ordering department.
- The departmental custodian or designee will inspect and accept the asset. Once the asset is accepted, the custodian must perform the following tasks within 3 business days of the inspection and acceptance:
  - Communication with the Property Management Office and request an asset decal.
  - Contacting the departmental fiscal representative to receive the asset in the PeopleSoft system so that the vendor payment may be processed.
    - Pertinent information recorded in the PeopleSoft system includes the asset's estimated life, the acquisition cost, a physical description, the department and account code information, the asset's location and tag number, salvage value, etc.

## **4.3 Tracking Inventory**

- Property Management personnel conducts the annual inventory of University property, in accordance with Section 273.02 FS, and compare the inventory to the University's property records. Discrepancies are traced and reconciled.
- Inventories may be conducted by college, location or other University subdivisions, and should be conducted throughout the year.
- The list of items not located during the inventory will be forwarded to the Dean, Director or the other Custodian responsible for the missing property within 10 working days of the completion of the physical inventory.
- The Custodian must make another attempt to account for the missing property.
- Results of this search are to be provided to the Property Manager within 30 days.
- The property Manager will update the property records to accurately reflect the status of items that had been missing.
- The Assistant Controller will notify the Assistant Vice President for Finance and Administration/Controller of any Custodian who fails to respond to a request for an accounting of missing property items within the prescribed time period.
- A final listing is then submitted to the Vice President for Finance Administration

## **4.4 Asset Transfers and Disposals**

- Department personnel complete the asset transfer form when assets are transferred to another department or another building and transmit this form to Asset Management and the Project Investigator (if purchased with grant funds).
- Asset Management records capital asset transfer information, including physical location changes and department transfers in the PeopleSoft system.
- Department personnel complete the asset disposal form to initiate the disposal of all equipment with an assigned tag number and send this form to Asset Management.
- Asset Management removes the asset from the inventory list and from the PeopleSoft system. If the asset was purchased with grant funds, Asset Management will communicate with the Office of Research regarding the proper disposal.



- The “transferring” department will complete the Property Relocation Request form. This includes obtaining the signature of the “transferring” department’s Custodian.
- The Relocation Request of Property form is sent to the “receiving” department.
- The “receiving” department’s Custodian approves and signs the Relocation Request property form.
- If an asset was purchased from a Contract or Grant, Property Management will verify the appropriateness of the transfer.
  - (The terms and conditions of the granting agency may prevent the equipment to be used for activities other than the original project’s objective.)
- Property Management verifies signatures of both the “transferring” and the “receiving” Custodian to ensure Property Management transfers ownership of the equipment to the “receiving” department.

#### **4.5 Year-End Close**

- Property Management in conjunction with General Accounting inventories and reconciles all University capital assets on an annual basis for fiscal reporting. This includes final asset transfers and disposals.
- General Accounting runs the depreciation process in Peoplesoft, verifies and records the annual depreciation expense for all University capital assets. The straight-line depreciation method is used.
- General Accounting performs the reconciliation of the Asset Management to General Ledger interface in the PeopleSoft system to ensure an accurate net book valuation
- FPAC in conjunction with General Accounting classifies all minor project, renovation and repair, expenditures
- FPAC identifies Construction Contracts Payable
- FPAC and GA analyze Construction-in-Progress (CIP) existing balances and additions. GA creates necessary journal entries to record CIP, Land, Buildings and Infrastructure.
- Property Management, in conjunction with the General Accounting, performs and reconciles all deletions of capital assets.

### **5.0 Asset Management Guidelines**

#### **5.1 Capitalization Thresholds**

**Furniture & Equipment-** Includes moveable equipment of a non-consumable nature, where the value or cost (less discounts) of the asset is \$5,000 or more and the normal expected life which is one year or more. Movable equipment also includes hardbound books purchased through a department (not including the main library systems) where the value or costs of which is \$250 or more. (Repairs and maintenance expenses, service contracts, and extended warranties are not additions to the capital assets.)

**Software** – Computer Software includes individual software licenses where the cost is \$5,000 or more, the life is one year or more and does not have a time-limited license for current or future use (i.e. does not require payment or return each year.)

**Livestock** – Includes any individual cattle, horses, swine or dogs that exceeds \$5,000.

**Library Resources** – Any resources cataloged in the on-line public access catalog for the main University Libraries with an expected life of more than one year.

**Building and Fixed Equipment** – Any construction project where the total cost of the project is equal to or greater than \$100,000 or where square footage is being added to a building or where the total cost of renovation is greater than 25% of the total building value.

**Infrastructure**- Any construction project related to the campus network of facilities, such as paved parking areas, fences, sidewalks, underground plumbing, campus-side IT, where total cost of the project is equal to or greater than \$100, 000.

## 5.2 Acquisitions

### 5.2.1 Furniture & equipment:

Note: Departments are encouraged to check with Property Management for the availability of usable surplus equipment prior to acquiring new equipment.

- Purchasing New Equipment through a Purchase Requisition:
  - When purchasing equipment, the purchase must meet the capitalization threshold for the type of equipment being purchased (see the Capitalization Threshold section of these procedures).
  - Furniture & equipment should be purchased from Operating Capital Outlay (OCO) funds.
  - The purchase requisition must reference the applicable Category Code, Account Code and Asset Profile in addition to the Department ID and Fund Code.
  - The asset profile flags items to be placed in the Asset Management tables of the PeopleSoft System
  - If a property item is acquired and the expenditure erroneously coded with an account code other than a 75XXXX and/or does not have an asset profile attached to the item, GA contacts the department fiscal representative via email memorandum.
  - Property Management and/or GA will make the necessary on-line corrections in the PeopleSoft system
  - Freight, installation, and other costs incurred to acquire or install the property are considered part of the cost of the item and will be paid from OCO.
  - Expenditures of \$5,000 or more for addition of components to an existing item of property are also OCO.
  - The cost of the component will be added to the cost of the original property in the inventory record
  - Replacement parts, repairs , and service contracts are not additions to property
  - For any questions concerning the classification of a particular item being acquired, departments are to contact Property Management
  
- Trading In Equipment for New Assets/Equipment:
  - The department must complete the purchase requisition and forward a request to the office of Property Records with the following information on the items to be traded:
    - Description
    - Manufacturer's name

- Model Number
  - Serial number
  - Age
  - Condition
  - Property decal number
  - Original Purchase date
  - Acquisition cost
  - Item location (Building and room number)
  - Written trade-in quote from the vendor
- All University decals must be removed from the asset before the item is traded-in, by the Office of Property Records.
  - If the item contains sensitive information, it must be removed from all devices before the item is traded-in.
  - The university does not permit the trade-in of FAMU-owned assets for expendable materials, leased operating equipment, or equipment purchased by Direct Support Organizations where ownership of the new asset does not reside with the University.

**Receiving Donated Equipment** – The following procedures are for receiving donations of equipment from other universities, the Federal Government, other State agencies and private industries or individuals:

- The department must notify the Office of Property Records in writing of such transaction.
- The department must obtain supporting documentation which clearly confirms that ownership has been transferred to the University from the entity making the donation.
- The department must send the supporting documentation to the Foundation Office.
- Property Management staff will add the asset to the PeopleSoft system with the acquisition type as “donation” after receiving all of the necessary supporting documentation.
- The value of the donated equipment added to the financial statements will be the appraised or fair market value of the asset at the time of acquisition.

**Fabricated Equipment** –

- The department must choose a proper asset category when creating the purchase requisition. The total value of all combined parts must meet the capitalization threshold for the category of equipment in which it is related.
- The department must indicate in the comments field on the requisition that the cost will be added together to make one asset.
- The department must complete a Property Update form.
- The department must send the Property Update Document and any related correspondence to Property Management.
- The University Property Administrator will determine whether the property should be placed on the inventory records.

**Receiving Government Furnished Equipment** –

- Title to all equipment furnished by the government for use on a project will remain with the government. It is the responsibility of the Principal Investigator to send a copy of the shipping documents, transfer order and/or correspondence pertaining to the receipt of the equipment to the Property Management Office
- Such property, when acquired by NASA grants, will be maintained in accordance with NADA Grant Handbook, exhibit C.
- Equipment furnished by the government is subject to all reporting requirements of the particular contract or grant until the project is terminated, at which time specific disposition instructions will be requested by Property Management and the Office of Sponsored Programs.

**Purchasing Equipment from Sponsored Research funds –**

- The specific provisions of each contract or grant may vary regarding the acquisition of equipment. In many cases, prior approval must be received.
- Before assets are charged to a contract or grant, departments must review the terms and conditions of the agreement to identify limitations for purchasing equipment. If the department is unsure of limitations set forth by the granting agencies, they can contact Contract and Grant Accounting for assistance.
- Known Agency Specific Limitations:
  - Department of Defense (DOD) contracts
  - The purchase of equipment listed in the project budget and costing less than \$5,000 does not need further approval. However, prior approval of the Contracting Officer is required if the item is not listed.
  - The purchase of industrial plant equipment costing in excess of \$15,000 requires that DOD Form 1419 be submitted to the Defense Industrial Plant Equipment Center to screen existing equipment may not be made until a certificate of non-availability is received.
  - NASA Grants- Acquisition of property costing in excess of \$5,000 and not included in the approved budget requires the prior approval of the Administrative Grants Officer unless the item is merely a different model of an item shown in the approved budget. The government reserves the right to require transfer to the government or third party (named by the government) of the title of items purchased at a cost in excess of \$5,000 within 120 days after the termination of the project.
  - General types of equipment, such as typewriters, air conditioners, office furniture, and calculators are not permitted to be purchased unless specifically approved in writing by the Contracting Officer.
  - All purchase requisitions (partially or fully funded) must include the project number assigned to the contract and grant on the chartfield string.
  - Receiving Equipment for Federal Surplus Property:
    - The department must contact Property Management to obtain prior authorization.
    - Property Management will authorize the department to pick up Federal Surplus Property.
    - When the equipment is received, it is the responsibility of the department to certify receipt of the property items and to authorize payment (when necessary) from an operating expense account code.
    - The department must send a copy of the certification of receipt or invoice to the Property Management Office.
    - Property Management will add the equipment to the PeopleSoft system.

**Capital Leases of Equipment –**

If the equipment lease meets the following criteria for a capital lease, the department must complete a Property Update Form:

- The title of the equipment is transferred to the University.
- There is a bargain purchase price for the equipment at a future date.
- The term life is greater than or equal to 75% of the life of the equipment.
- The present value of payments is greater than or equal to 90% of the fair market value of equipment.
- The Property Update form, the Lease Agreement and the amortization schedule must be sent to Property Management & General Accounting
- Property Management will add the asset to the PeopleSoft system.
- Property Management will instruct the department on how to properly account for capital leased equipment.

### **5.2.2 Buildings, Land, Infrastructure**

- **New Construction and Renovations** – Each new construction and renovations project is assigned a project number in the PeopleSoft system. All costs related to the project are tracked individually. At the end of the project, if the cost meets the capitalization threshold of \$100,000, the costs are capitalized to the related building and/or as infrastructure on the financial statements.
- **Buildings/Land** – New buildings or land are valued and recorded at the purchase price; donations are valued at FMV
- **Leased Property** – Property leases that included clauses that stipulate that the title of the buildings will be transferred to the university Of Florida and where the lease term is greater than or equal 75% of the property’s life and the value of the payments is greater than or equal to 90% of the fair market value of the property are considered “capital leases” and are added to the Asset Management sub module in the PeopleSoft system and recorded as assets on the financial statements. Departments that engage in such capital lease agreements must include the Purchasing Director, the University’s lease coordinator, in the development of the lease agreement.
- **Leasehold Improvements** – Whether or not a lease qualifies as a capital lease, if a department makes improvements to a leased building, the cost are capitalized as a leasehold improvement as long as the improvements meets the capitalization threshold listed above.

### **5.3 Dispositions**

- In accordance with Section 273.05, Florida Statutes, the university has appointed a “Property Survey Board” to review all dispositions for University owned equipment. It is the committee’s role to recommend the final dispositions of equipment.
- All equipment purchased from contract and grant funds must be approved by Sponsored Research before an asset is allowed to be disposed of.
- When Government owned property becomes excess property to the contract for which it was provided, it must be screened against the needs of others contracts before it can be declared excess property.
  - If such need is disclosed, a request should be made to the Contracting Officer for approval.
  - Additionally, if the department wishes to cannibalize must be made to the Contracting Officer for approval.
  - Requests to dispose of federally-owned property should be made in the writing to the Vice President of Sponsored Research.

- When a piece of equipment has been deemed surplus (no longer needed, damaged, worn out or obsolete), the department will complete a Property Relocation Request.
  - The moving and set up department will pick up the equipment and store it in the Surplus Property Warehouse. If the equipment is not working, the equipment will either be scrapped or recycled.
- If the department decides to cannibalize equipment, the department must first complete the Report of Survey and send it to Property Management and the Property Survey board for approval.
  - The equipment may not be dismantled until approval of the Property Survey Board is received.
  - The department must attach the equipment decal to the Report of Survey form to ensure that the equipment is still in department's possession and rule out that the form is being submitted to meet inventory requirements.
- If a piece of equipment is traded in for new equipment, the department will complete a Report of Survey form for the asset being traded in and send it along with the documentation to support the trade in to Property Management.
- If a piece of equipment has been damaged by fire, hurricane, etc., a Report of Survey form must be completed and sent to Property Management and marked as "Casualty Loss" on the form.
  - The Property Administrator will verify the damage or destruction.
  - Upon verification of the damage, a request is made to the Property Survey Board to dispose of the item.
  - A claim for replacement of the item should be filed with the Risk Management Office.
- Federal Surplus equipment dispositions are processed the same as above with the exception of equipment costing \$5,000 or more or when the equipment is motor vehicle.
  - These items CANNOT be transferred, cannibalized, utilized for a secondary purpose for a period of four years after acquisition (2 years in the case of motor vehicles) without permission from the Florida Surplus Property Division.
  - If the department wishes to dispose of or transfer Federal Surplus equipment, they must notify Contracts and Grants Accounting.
- When equipment has been deemed lost or stolen, the department must complete a Report of Survey-Lost or Stolen form. This survey must be signed by the Dean or director and sent to Property Management.
  - A copy of the Report of Survey will be sent to Campus Police if the item is stolen.
  - When theft is discovered, the Campus Police Department (or local authority) must be notified by telephone immediately.
  - A copy of the police report must accompany the survey form.
  - In the case of loss to non-state owned property that is covered by insurance, the department must notify the Risk Management Office.
- **Charitable Organizations**
  - The University will make donations and gift of surplus property to nonprofit and charitable organizations whose primary purpose/mission must be a (a) promote the public's welfare and public health (b) conservation and/or restoration of the environment (c) the promotion of human and civil rights (d) or the relief of human suffering and as to what their primary purpose and/or goal is.
  - A copy of the organization's letter of notification must be provided from the Internal Revenue Service (IRS) indicating that they are operating as a 01-C3 nonprofit organization. Also, a copy of the organization's State of Florida sales tax exempt number must be provided.
  - The University may dispose of the salvage items by the most effective method(s) agreed upon by a salvage vendor agreeing to remove the property at no cost to the University.

- The authorized vendor and charitable organization will sign the certification form attesting that the organization or vendor has taken possession of the item(s).
- The property designee will process the request. When the scrap property is disposed of by another means, in the best interest of the University, the designee will document the disposal. The non-profit and charitable organization may not exceed \$10,000 in donation and gift of surplus property annually. The acquisition cost of the surplus/salvage item(s) will be used as the threshold for the disposition cost. All item(s) will be awarded first come, first served.

#### **5.4 Abandoned Personal Property**

In accordance with provisions outlined in Florida Statutes 705.18, the University will dispose of abandoned personal property accordingly. Personal Property abandoned (except for automobiles) will be disposed of after sixty days or thereafter, the property Management sections shall order the property sold an outcry (Public Sale). Any time prior to sale, the rightful owner may reclaim the property; the Property Management section will coordinate with the named department to pick up and dispose of abandoned or lost personal property. All monies reclaimed from such sale shall be placed in an appropriate fund and used for surplus property activities.

#### **5.5 Separation/Termination**

- All persons separating from employment with the University are required to return and/or account for all assets entrusted in their care; and settle their accounts with FAMU prior to receipt of any final payment due them.
- The University reserves the right to offset any funds due the employee, (i.e. leave pay off), to compensate for unreturned property or unsettled accounts. In the case of (other personal services) OPS students/staff, issuance of transcripts and/or degrees may be delayed.
- For the purpose of capital asset accountability, the supervisor is responsible for clearing individual employees with University property entrusted in their care. The Office of Property Records is responsible for conducting an inventory of all assets entrusted in the care of the Accountable Officer, (typically deans, directors, chairpersons, etc.).
- In instances where there is a loss or failure to return University Property upon separation, the employee must report the asset(s) as stolen. The sum due will be fair market value of the asset. In the event there is a dispute in results, the CFO will review and exercise discretion.
- The employee's Separation Clearance Form will be signed by the Assistant Controller after the employee's supervisor has signed and/or a final inventory (Accountable Office inventory is completed by the office of Property Records). The Human Resource department will not process final payments for employees terminating without verification that all outstanding debts/accounts are settled.