
Asset Management

Policies and Procedures

INTRODUCTION

Business Services

Business Services provides centralized procurement and communication services to the University of Alabama in Huntsville (UAH) Community and is organized within the Finance and Administration Division of the University of Alabama in Huntsville. Procurement and communication services must conform to Federal, State, and University purchasing codes, statutes, and policies. As the primary University interface for campus departments and hundreds of businesses, Business Services is especially responsible for projecting a positive and professional image for the University.

Business Services comprises Procurement Services/Procurement Card, Central Receiving & Shipping, **Asset Management**, Mail Services, Telecommunication Services, and the UAH Copy Center. Business Services strives to provide quality service with the highest possible degree of proficiency. We welcome any comments or suggestions to improve customer service. Staff members are available to conduct training workshops to assist departments with understanding these policies and procedures.

Policies and Procedures Manual

The purpose of this manual is to help the University Community better understand the laws and guidelines by which Business Services must operate. These policies and procedures are subject to change in our rapidly evolving environment (e.g., computer systems, software, administrative procedures, and state laws). Therefore, we may need to update and revise portions of the manual from time to time.

The Policies and Procedures Manual incorporates Alabama State laws, University regulations, and good business practices. This manual also incorporates special requirements imposed by agencies that fund certain University programs.

The policies and procedures contained herein should be used under normal operating circumstances. Exceptions are allowed when, in the opinion of the Associate Vice President of Finance & Business Services and/or the Senior Vice President for Finance and Administration, they appear to be in the best interest of the University. Exceptions must be properly justified and documented.

This manual has been designed to address most situations; however, it cannot cover all eventualities. It has been approved by the Associate Vice President of Finance & Business Services and the Senior Vice President for Finance and Administration. Please contact Business Services if you have questions or suggestions for improving this manual.

**** Exceptions to normal procedures may also be authorized at the discretion of the Director of Procurement & Business Services on an as needed basis. ****

ASSET MANAGEMENT

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I. GENERAL

I.1. Objective

The primary responsibility of Asset Management is to maintain accurate records of The University of Alabama in Huntsville (UAH) and Government-titled equipment. Asset Management will furnish each Budget Unit Head a complete history of all equipment purchased or acquired for his or her department. The accuracy of these records depends on the cooperation of the departments to inform Asset Management of equipment acquisitions, changes, transfers, and relocations.

Department heads and their designated property managers are responsible for ensuring that established policies and procedures related to equipment are followed.

The accountability for equipment lies with the department head who is responsible for all purchased and acquired property assigned to his or her area.

Asset Management is located in the Central Receiving Building on John Wright Drive and may be contacted at 256-824-6315 or by email at crb@uah.edu

I.2. Policy

The University of Alabama in Huntsville (UAH) will maintain accurate and reliable records of equipment acquired by UAH.

I.3. Authority and Scope

Asset Management is responsible for:

- Collecting and maintaining property identification data on capital equipment and designated non-capital equipment
- Tagging capital equipment, designated non-capital equipment and other inventoried items with barcode labels

Asset Management furnishes this data to the Budget Unit Head of each department for review and to Accounting and Finance for auditing purposes.

The policies and procedures in this section are all-inclusive and specialized.

I.4. Definitions

CAPITAL EQUIPMENT / PROPERTY (FIXED ASSETS)

Capital equipment is defined to be an item of movable, non-expendable, and tangible property. Capital equipment has a useful life of more than one year and a cost or value of \$5,000 or more. Capital equipment must be tagged with

a barcode label. Capital equipment purchases should have one of the following account codes: 8100, 8101, 8103, 8105, 8106, 8107, 8108, 8109, and 8110. See Section IV.2, "Fixed Asset Account Codes." The designations "property," "equipment," and "fixed asset" are used interchangeably with "capital equipment."

UNIVERSITY PURCHASED NON-CAPITAL EQUIPMENT / TRACKED PROPERTY (FIXED ASSETS)

The University tracks and maintains a fixed asset database records on designated University purchased non-capital equipment. According to Table AM-1, these equipment classifications include:

Table AM-2, Federally Funded Non-Capital Equipment Classifications

Equipment Description & Value	Accounting Codes
Computers and Computer Equipment costing \$1000 – \$4,999.99	7465
Audio Video Equipment costing \$1000 – \$4,999.99	7467
Other Equipment costing \$1000 – \$4,999.99	7469

FEDERALLY PURCHASED NON-CAPITAL EQUIPMENT / TRACKED PROPERTY (FIXED ASSETS)

The University tracks and maintains a fixed asset database record on some Federally funded non-capital equipment. According to Table AM-2, these equipment classifications include:

Table AM-2, Federally Funded Non-Capital Equipment Classifications

Equipment Description & Value	Accounting Codes
Computers and Computer Equipment (federal) costing \$0 – \$4,999.99	7456
Audio Video Equipment (federal) costing \$0 – \$4,999.99	7457
Other Equipment (federal) costing \$0 – \$4,999.99	7458

PROPERTY VALUE

Property value is the cost of capital equipment, including freight, installation, and other costs necessary to make the equipment operational as originally intended. The value of gifts will be the value placed on them by the donor or by appraisal when required.

OBSOLETE OR SURPLUS PROPERTY

Obsolete property is property no longer needed for the purpose intended. If it is not needed in another department, then it should be declared surplus and disposed of according to state and federal regulations. Items used as trade-ins for like items are deleted from the property and accounting records. Refer to *Central Receiving Policies and Procedures*, Section IV, "Auctions and Surplus Property Sales," for proper procedures for declaring surplus property.

CANNIBALIZED, SCRAPPED, OR TRASHED PROPERTY

Cannibalized, scrapped, or trashed properties are capital equipment items that are disposed of with no remaining salvageable or surplus value. If a department plans to cannibalize, scrap, or otherwise dispose of University property, the department must first notify Asset Management (AM). AM personnel will visit the department and inspect the item(s). If AM determines the asset(s) has no value, AM will remove the barcode property label(s) at disposal and dispose of the item(s). The department will be required to complete and sign the *UAH Property Disposition Form* (Figure AM -1). Central Receiving/AM will provide this form, or it can be downloaded from the Business Services website (<http://www.uah.edu/business-services/faculty-staff/asset-management/forms>). **Departments are not authorized to cannibalize, scrap, or trash University property. Only Asset Management is approved to perform this function.**

II. INVENTORY SURVEY

II.1. Procedure

University titled capital and non-capital assets are surveyed every two years. Asset Management surveys each room on campus that contains equipment. Surveys are conducted using printed reports and/or barcode scanners. Reports are sorted by department and equipment custodian. Changes in equipment status are recorded after the survey in the Fixed Asset database of the University's current purchasing software module.

After completing the survey, Asset Management must complete and sign the *Fixed Asset Inventory Acknowledgement Form* (Figure AM -2). This report will contain a listing of all fixed assets determined to be missing during the inventory survey. The report will be forwarded to the audited department for a response regarding any missing assets. The department will have 15 working days from the conclusion of the audit to respond, to Asset Management, concerning the status of all missing assets. If a department fails to respond to the missing asset report, at the end of the 15 working days, then it will be elevated within the department. If the missing items are not addressed within 15 working days of the departmental elevation, then it will be elevated to the Director of Procurement and Business Services. If after 10 working days there is no reply from the

department, it will be elevated to the Office of the Controller for further action as determined by the University. In the event the department refused to sign the supporting documentation, the forms will be signed by the Controller. See section II.4, "Missing Property."

NOTE: Asset Management is only responsible for collecting data. The individual departments are responsible for the care, maintenance and accountability of the University's property that has been assigned to them.

II.2. Completing the Inventory Acknowledgement Form

1. Dept.: — Enter the name of the department or division being audited.
2. Dept. Org. #: —Enter the primary organization (department) number for the department or division being audited. This number should be the organization number at the top of the hierarchy for the department. Do not use subordinate organization numbers.
3. Inventory Completion Date: — Enter the date that Asset Management completes the departmental audit.
4. Inventory Conducted By: — List all Asset Management team members and departmental staff and faculty involved in or assisting with the audit. Attach additional pages if necessary.
5. Missing Property Listing — List any and all capital assets or government property not found during the departmental audit.

Information on each asset should include: Asset (barcode) number, asset description, and last known location (building and room). If no property is missing, insert the word "NONE" into the listing area.

6. Missing Property Policy Statement — Department officials should read and understand the University policy regarding missing capital equipment.
7. Acknowledgement Signatures — A Budget Unit Head, director, chair, or dean should review and sign the completed acknowledgement of inventory audit and missing property.

An Asset Management representative should also sign the document as verification that both parties are in agreement on the completion of the audit and the status of any missing property.

II.3. Codes

Asset Management uses the Disposition Codes described in Table AM -3 to account for equipment removed from a department's inventory.

Table AM -3, Inventory Disposition Codes

Code	Explanation	Action
AS	Item Auctioned or Sold on special bid	Inventory records are deleted after auction or date of sale.
CP	Cannibalized for parts	Removes property from records and advises Accounting and Finance to adjust book value.
DR	Damaged (cannot be used without major repair)	Departments will determine if item is to be repaired. If damage is too severe, status will be changed to CP, ST, or AS when final status is determined by the department.
ML	Missing or Lost by department	Indicates property is Missing. Inventory data will be transferred to Missing Property Report, and Accounting and Finance will be advised of the change.
RC	Raised Capitalization Level	The University has raised the fixed asset capitalization level above the value of the item(s). Item(s) will be deleted from inventory.
RT	Item Returned to vendor	Indicates equipment has been returned to the vendor for exchange or refund. Inventory and accounting records for item will be deleted.
SE	Stolen (evidence of theft found; police investigation in progress)	Item will be deleted from department's inventory records on receipt of police report.
ST	Item Scrapped or Trashed	Asset Management will take action at department's request to dispose of equipment.
TD	Item Transferred off active inventory records.	Indicates item no longer belongs to the University; records are deleted from inventory.

II.4. Missing Property

Property that cannot be located during the inventory survey is noted as "Missing" on the *Fixed Asset Inventory Acknowledgement Form* (Figure AM -2) and is earmarked "Missing" on the property records. The Budget Unit Head should make every effort to locate the missing property and advise Asset Management if items are located.

Missing property will remain earmarked on the department's property records and the University accounting records for up to 60 days after completion of the department's inventory survey. If the missing property is not found after 60 days, a missing property report will be sent to the Controller for further action (unless paperwork is signed by the department). Asset Management will then coordinate with Accounting and Finance to adjust the book value of the missing property.

NOTE: Budget Unit Heads are responsible for all property in their assigned areas. Inventory deletions are subject to internal and external audits. Budget Unit Heads must furnish information to develop a satisfactory response to audit reports.

III. EXISTING PROPERTY

III.1. Responsibility

The Budget Unit Head is responsible for all property assigned to his or her area. When the Budget Unit Head changes for an area, the following procedures apply:

- The outgoing Budget Unit Head must sign off and account for all equipment in his or her old location before leaving.
- The incoming Budget Unit Head must sign for capital equipment in his or her new location when coming in.

III.2. Changes, Transfers, and Relocations

PROCEDURE

Designated property managers for each department are required to notify Asset Management of all equipment acquisitions, changes in custodians, transfers, and relocations. The departments involved must submit a *Property Relocation/Transfer Form* (Figure AM -3) to Asset Management. The form is available on the Asset Management website (<http://www.uah.edu/business-services/faculty-staff/asset-management/forms>), where it is titled "Property Relocation/Transfer."

NOTE: Following the termination of employees, it is required for departments to inform Asset Management of changes in the custodianship of assets. This can be done through the submission of the Property Relocation/Transfer Form.

COMPLETING THE PROPERTY RELOCATION / TRANSFER FORM

1. Date — Enter the date of the move or transfer.
2. Move or Transfer Equipment On-Campus — Mark this box if equipment is to be moved or transferred from one department to another, from one building to another, or from one room to another on campus.
3. UAH ID Number — Enter the identification number of the property.
4. Description — Provide a description of the property. The description might include manufacturer, model or serial number, weight, size, color, etc.
5. Value — Provide a dollar value for the property. Provide an estimate if the actual value is unknown.

6. From / To — For both the original and new locations of the property, enter the following information:
 - Name — Enter the name of the responsible individual or contact person.
 - Phone No. — Enter the telephone number of the responsible individual.
 - Department — Enter the department name.
 - Building / Room No. — Enter the building name and the room number.
 - Approval — Obtain signature authorizations of the donating and the receiving Budget Unit Head.
7. Move Equipment Off-Campus — Mark this box to move the equipment to a location off-campus.
8. UAH ID Number / Description / Value — Provide the identification number, a description, and a dollar value for the property, as explained above in steps 3–5.
9. Name — Enter the name of the responsible individual.
10. Phone No. — Enter the telephone number of the responsible individual.
11. Department — Enter the responsible individual's department.
12. From Location (Bldg / Rm) — Enter the original building name and room number of the property.
13. To Location — Enter the new location including address, city, and state, as applicable, for the property.
14. Approval — Obtain the signature authorization of the appropriate Budget Unit Head.

III.3. Loans to Other Organizations

UAH property may be loaned to other organizations with an agreement in writing signed by the appropriate vice president, dean, or director. One copy of the agreement is kept in the vice president's, deans, or director's office, and another copy is forwarded to Asset Management for annual follow-up. All departments loaning equipment must use the *UAH Property Relocation/Transfer Form* (Figure AM -3) to officially record the loan with Asset Management.

III.4. Stolen Property

The designated departmental property manager is required to notify Asset Management and University Police as soon as he or she suspects any

equipment has been stolen. The property records will be coded "SE" for stolen property and an investigation will be conducted.

Once the investigation is complete, a report is made to the Budget Unit Head and Asset Management. Based on the investigation's findings, a final determination is made concerning disposition of the equipment. If it is to be removed from the property records, Asset Management will advise Accounting and Finance to adjust the book value. A copy of the police report must be sent to the Asset Management Office before the item can be deleted from inventory records as stolen.

III.5. Transfers

Transfers of property between departments must be reported to Asset Management on a *UAH Property Relocation/Transfer Form* (Figure AM-3). The following information must be typed or printed on the Form:

- Property description
- UAH ID number
- Building and room (original and new locations)
- Budget Unit Head signatures (original and new locations)

Asset Management will adjust the property records to reflect the transfer. **Do not report temporary transfers of 60 days or less; however, authorization must be approved by the Budget Unit Head and maintained in departmental files.**

NOTE: Property moved within a department must also be reported to Asset Management in order to maintain accurate property records.

III.6. Off-Campus Use of University Property

A dean or director may authorize off-campus use of University property by University employees. Such off-campus use of University property requires written approval by the dean or director responsible for the property. If the property is to be used off-campus for more than 60 days, the *UAH Property Relocation/Transfer Form* (Figure AM -3) must be completed and submitted to the Asset Management Office.

NOTE: During a department's inventory survey, property located off-campus may be verified via the UAH Off-Campus Equipment Verification Worksheet (Figure AM-7).

III.7. Depreciation

Asset Management must use the depreciation codes according to *Property Classification Codes* (Figure AM-4) when completing the Classification Code field in the receiving portion of the current purchasing and procurement database software. These codes are the only ones that can be entered into the Classification Code field.

III.8. Disposal of Property

The normal method for disposal of University property is through surplus declaration. Refer to *Central Receiving Policies and Procedures*, Section IV, "Auctions and Surplus Property Sales," for policies and procedures for declaring surplus property.

PROCEDURE

If a department wants to loan a piece of equipment to an off-campus school, business, or organization; cannibalize a piece of equipment for parts; or trash an item because it is no longer repairable or usable and/ or has no resalable value, the *UAH Property Disposition Form* (Figure AM -1) must be used. This form is available on the Business Services' website (<http://www.uah.edu/business-services/faculty-staff/asset-management/forms>) under "Forms."

If a department plans to cannibalize, scrap, or otherwise dispose of University property, the department must first notify Asset Management (AM). AM personnel will visit the department and inspect the item(s). If AM determines the asset(s) has no value, AM will remove the barcode property label(s) at disposal and dispose of the item(s). The department will be required to complete and sign the *UAH Property Disposition Form* (Figure AM -1).

Departments are not authorized to cannibalize, scrap, or trash University property. Only Asset Management is approved to perform this function.

COMPLETING THE UAH PROPERTY DISPOSITION FORM

1. Date — Enter the date the item was loaned or disposed.
2. Capital Equipment Disposition — Mark this box to alert AM to a property status change.
3. UAH ID Number — Enter the number assigned to the property.
4. Description — Provide a description of the property, including model number and serial number, if available.
5. Disposition Method — Describe a method of disposition: Loaned, Cannibalized, Scrapped, or Trashed.

6. Disposal Justification — Provide reasons for disposal.
7. Details of Loan Agreement — List the department loaning the item, the person receiving the item, the off-campus location where the item will be used, and the length and conditions of the loan agreement.
8. Authorization — All actions taken to loan or dispose of a piece of equipment must be approved and authorized by the department chair's signature and Asset Management.

IV. NEW PROPERTY

IV.1. Screening

Before purchasing new equipment, departments must screen equipment according to the guidelines in Table AM -3:

Table AM -3, Capital Equipment Screening

Equipment Costs	Screening Requirements
\$5,000.00 – \$9,999.99	None
\$10,000.00 – \$24,999.99	Department-level
\$25,000.00 – \$49,999.99	College-level
\$50,000.00 or more	Campus-wide

All equipment purchases on research funds must be screened by the department and verified and/or approved by Office of Sponsored Programs (OSP). **Obtain Screening Form RA97-01 from Office of Sponsored Programs and attach to the Requisition.** Indicate in Document Text on the electronic Requisition that the equipment has been screened. Note the Requisition number on the *Screening Form RA97-01* and forward a copy to the appropriate Procurement Officer as supporting documentation for the Requisition.

*NOTE: To avoid unnecessary or duplicate purchases, the Federal Government requires internal screening of UAH equipment according to Federal Regulations, Office of Management and Budgets (OMB), Circular A110, Attachment O, Paragraph 3.C.1. Equipment **must** be screened if it falls within the following ranges: **\$10,000–\$25,000**, by the department; **\$25,000–\$50,000**, by the college; **\$50,000 and over**, campus-wide. Contact Asset Management at 256-824-6315 for campus-wide screening.*

IV.2. Fixed Asset Account Codes

Appropriate account codes, as described in Table AM -4, must be applied against fixed asset account expenditures at issuance of the Purchase Order.

Asset Management will tag the property with barcode labels, as applicable. The dollar value will be entered as the amount issued on the Purchase Order.

Table AM -4, Fixed Asset Account Codes

Account Code	Description
7435	Used for supply items when building or manufacturing a piece of equipment or a system only on a fixed asset account. Will not incur indirect charges.
7436	Used for supply items when building or manufacturing a piece of equipment or a system only on a fixed asset account. Will incur indirect charges.
8101	Used for the initial set-up for equipment purchases of \$5,000 or more; not associated with building construction.
8103	Used for internal enhancements over \$5,000; the Purchase Order will reference the existing inventoried equipment. The enhancement will be assigned a barcode number and entered into the inventory records the same as account code 8101 items.
8105	Used for equipment being installed on or attached to an existing piece of equipment; the Purchase Order will reference the existing equipment's ID number, serial number, etc. The installed equipment will be inventoried as a subset of the original equipment. The ID number of the installed equipment will be the same as that of the original equipment, except for the last digit.
8107	Used for vehicles.
8108	Used for Lease/Purchase agreements (does not apply to lease-only items).

IV.3. Equipment Obtained Without a Purchase Order

Asset Management will inventory equipment not obtained against a Purchase Order only when appropriate backup documentation is available. Appropriate backup documentation may include the following:

- *Property Relocation/Transfer Form (UAH/INV Form-010)*
- *Temporary On-Loan/Donated Equipment Inventory Form (UAH/INV Form-012)*
- U.S. Government DD Form 1149 that states the origin of the item
- UAH Non-Cash Gift Internal Approval / Acceptance Form

IV.4. Lease / Purchase Agreements

Equipment obtained under a Lease/Purchase agreement will be inventoried at the Lease/Purchase value. Asset Management will notify Accounting and Finance when these transactions are processed. Since the Lease/Purchase value differs from the Purchase Order amount and extends from three to five years, these transactions will be compared at year-end with the Lease Purchase Report prepared by Procurement Services.

IV.5. General Procedure

All new property is tagged at Central Receiving before delivery to departments.

If a department receives property directly from a vendor, or delivery is made directly to the department, the department must submit a Memorandum Receiving Report (MRR) to Accounts Payable and is required to notify Asset Management that property is available to tag and record. Asset Management will inventory and tag the property. For more information on the MRR, see *Central Receiving Policies and Procedures*, Section II.3, "Memorandum Receiving Report."

NOTE: If Accounts Payable fails to receive an MRR from the department, no payment will be issued on receipt of the invoice.

Government property valued at \$5,000 or more, or property vested in the Government, will be tagged with a special Government / UAH barcode label.

Government property surveys will be conducted annually. All property titled to the Federal Government will be inventoried once each year in accordance with Office of Sponsored Programs' government property inventory procedures. For more information, refer to the *Government Property Control System Manual* (Figure AM -5).

IV.6. Purchased Property

DEPARTMENT

- The Budget Unit Head determines the need for capital and non-capital equipment and seeks approval through the budget process. For expenditures against fixed asset accounts, the department obtains electronic approval from Office of Sponsored Programs before submitting a Requisition to Procurement Services.
- The department screens the equipment according to the guidelines in Section IV.1, "Screening."

- The department submits a Requisition with appropriate signature approvals to Procurement Services to initiate the purchase of capital and non-capital equipment.

PROCUREMENT SERVICES

- Procurement Services ensures that a complete copy of the OSP screening form has been submitted with the Requisition. Amounts of \$25,000 or greater will require approval from the Senior Vice President for Finance and Administration or their designee.
- Procurement Services obtains competitive pricing and/or bids.
- Procurement Services issues a Purchase Order to the winning vendor.

CENTRAL RECEIVING / ASSET MANAGEMENT

- On receipt of merchandise, Central Receiving matches the Purchase Order to the product and packing list to verify that items received are the same as those ordered.
- Central Receiving enters the necessary receiving information into the current purchasing and procurement database so Accounts Payable can process payment when the invoice arrives.
- On payment of invoice or receipt of item through the Receiving module, a pending asset file is created for each equipment item. The Purchase Order number becomes the pending asset number.
- The pending asset numbers are changed to approve assets using a new UAH barcode number as the approved asset number.
- For capital equipment, Central Receiving / Asset Management will tag the equipment with a barcode label.
- Asset Management sets up a property record for each equipment item in the current procurement database that contains the following information:
 - Account number(s)
 - Acquisition date (date received)
 - Building and room number
 - Custodian (Principal Investigator)
 - Item description
 - Manufacturer
 - Model number
 - Purchase Order number
 - Responsible organization (department) number
 - Serial number
 - UAH property number
 - Unit cost
 - Vendor

DIRECT DEPARTMENTAL DELIVERY OR PICK-UP

When property is received other than through Central Receiving, the department submits an MRR to Accounts Payable and is required to notify Asset Management for tag placement and record creation. Tag placement must be completed within 30 days of property receipt. (See Section IV.5, "General Procedure").

IV.7. Property from Federal Contracts and Grants

UAH complies with Federal Acquisition Regulations (FAR), the Government Property Control Systems Manual, and the Office of Management and Budgets (OMB) Circular A-110.

Government-purchased and Government-owned equipment procedures are outlined in the UAH *Government Property Control System Manual (GPCSM)* (Figure AM -5). In the event of any conflict between these *Policies and Procedures* and the *GPCSM* for Government-owned property, the *GPCSM* shall govern.

Government-titled equipment is monitored by the UAH Office of Sponsored Programs. Changes to status, location, and disposition of Government-owned property must be reported to and approved in advance by OSP.

Capital equipment may be obtained in the process of work performed on Federal contracts and grants. All items with an acquisition cost equal to or greater than \$5,000 and purchased against a contract are capitalized. Title to property purchased with Federal funds is generally specified in the contract under which the equipment is purchased. In the event title is not clearly specified in the contract, the governing sections of the FAR and the OMB Circular A-110 shall determine title.

Capital equipment may also be borrowed from the Government for use on a specific contract or for general use. In either case, UAH is responsible for the care and maintenance of equipment records, which are maintained the same as UAH property records. Government loaned or furnished equipment remains titled to the Federal Government unless formally abandoned-in-place by written notice from the Government in accordance with existing regulations.

When a contract is closed, loaned or borrowed equipment is either returned to the lending government agency or given to UAH. A signed statement from the agency is necessary for equipment transfer to UAH. All requests for disposition of Government-owned property must be directed to OSP.

Asset Management will maintain Government property records in cooperation with OSP. Government property records will indicate whether equipment is Government Purchased (GP) or Government Furnished (GF).

GF or GP property valued below \$5,000 will be tracked in the Asset Management system in accordance with UAH Asset Management Policies and Procedures.

Asset Management will coordinate with Accounting and Finance to establish accounting records for equipment abandoned-in-place by the Government for which the original acquisition cost is equal to or greater than \$5,000.

IV.8. Gifts and Donations

POLICY

University Development records and acknowledges all gifts and donations of capital equipment according to established institutional policy and procedures, particularly Rule 411 of The Board of Trustees of The University of Alabama. Those policies and procedures require, in some instances, that a gift be accepted by action of the Board itself. Other gifts may be accepted by designated University officials, including the president or a vice president, dean, research center director or department chair, but only if certain, stated conditions are met. **As a general rule, no faculty or staff member or student is authorized on behalf of the University to accept a gift or enter into an agreement with a prospective donor for the purpose of obtaining a gift.** All gifts and donations must be coordinated through the University Development office.

PROCEDURE

Before a non-cash gift can be accepted, a *UAH Non-Cash Gift Approval / Acceptance Report Form*, available from University Development must be completed by an appropriate individual within the unit, who will be the primary user or beneficiary of the property or who has been involved otherwise in developing the gift. The Acceptance Form should be submitted to the appropriate vice president, whose responsibility includes the user / beneficiary unit, through the officials in the administrative chain, who will each indicate their approval or disapproval.

A UAH employee must not arrange delivery or take possession of property proposed to be given to the University until the gift has been approved and accepted according to established policies and procedures.

University Development provides information and documentation regarding the donated property to Asset Management and Accounting and Finance. This list indicates:

- Department delivered to or taking possession
- Description

- Donor
- Quantity
- Value

Asset Management sets up property records. Accounting and Finance sets up accounting records.

A *Temporary On-Loan/Donated Equipment Form* (AM - 6) must be completed for each approved asset received through donation and valued at \$5,000 or greater. This form is for inventory purposes only and is in addition to any and all requirements of University Development and the Office of Sponsored Programs.

IV.9. Federal Surplus Purchases

Equipment may be purchased, when authorized, from federal surplus sales.

- If the equipment originally cost the U.S. Government \$2,500 or more, the equipment is classified as “RESTRICTED” and cannot be disposed of or removed from the State unless approved by the Alabama State Agency for Surplus Property.
- If the equipment is to be used for the purpose originally intended, the equipment is set up in UAH property and accounting records as other capital equipment.
- If the property is acquired for spare parts, fabrication, etc., it is expensed.

IV.10. Fabricated Equipment

Equipment fabricated using UAH parts and labor and meeting the requirements of capital equipment (see Section I.4, “Definitions”) must be capitalized. Asset Management sets up property records on such equipment and notifies Accounting and Finance to set up accounting records. The equipment’s value is recorded as the expensed parts and labor associated with the fabrication.

Account code 7435 or 7436 should be used for supply items when building or manufacturing a piece of equipment or a system only on a capital asset account.

IV.11. Record Retention

Retain property inventory records (survey documents and surplus / cannibalized / disposed assets) three years after the end of the fiscal year in which the records were created; then destroy.

IV.12. Temporary On-Loan / Donated Equipment

PROCEDURE

If a department receives on-loan equipment, valued at \$5,000 or greater, from an outside agency or company, the department must report the receipt of this equipment to Asset Management. Use the *Temporary On-Loan/Donated Equipment Inventory Form* (Figure IC-6) to report the receipt of loaned assets to Asset Management. This form is available on the Asset Management website (<http://www.uah.edu/business-services/faculty-staff/asset-management/forms>) under “Forms,” where it is called “Asset Loan Receipt.”

Use this form to report capital assets received by the University only through the following methods:

- Temporary loaned equipment valued at \$5,000 or greater from an outside agency or entity
- Donation of equipment valued at \$5,000 or greater by an outside agency or entity

NOTE: This form is NOT to be used for gift receipt purposes. Donated equipment must be coordinated in advance through the University Development Office, according to University Development policy and procedures, using the UAH Non-Cash Gift Approval/Acceptance Report (available through the University Development office). A copy of the gift approval report should be attached to the Temporary On-Loan/Donated Equipment Inventory Form.

COMPLETING THE TEMPORARY ON-LOAN / DONATED EQUIPMENT INVENTORY FORM

1. Date of Inventory Addition Request — Enter the date the item is physically received by the University department.
2. Model No. — Enter manufacturer’s model number for asset. If item is fabricated, use “FABRICATED” as the model number.
3. Description — Provide a detailed description of asset. Include manufacturer’s name, brand name (e.g., Presario, Optiplex) and detailed technical description and component content.
4. Serial No. — Enter manufacturer’s unique serial number for asset. If item is fabricated, use “FABRICATED” as the serial number.
5. Value — Enter the total value of the equipment as declared by lender or donating entity.
6. UAH Location of Equipment — List the exact building, room number, and department where the asset will be located.

NOTE: If property is relocated at any time, a UAH Property Relocation / Transfer Form shall be completed by the department and forwarded to Asset Management.

7. Length of Loan — Record the intended length of loan. How long does the department intend to keep the asset or what specific length of time is specified in the terms of the loan?
8. Terms and Conditions of Loan — Record any terms and conditions of the loan (specific project use, restrictions on use, requirements for use, etc.).
9. Property Owner — **For loaned equipment only. Do not use for donated equipment.** Record the contact name, telephone number, company name, and department of the entity making the loan. Signature of the loaning entity's authorized agent is required.
10. UAH Custodian — Record the name of the person directly accountable for the loaned or donated equipment asset. Include telephone number, responsible department, building and room number of custodian.
11. Department Head Approval Signature — Dean's or director's signature is required.

NOTE: Return of temporary asset(s) owned by outside agencies to property owner(s) must be reported immediately to Asset Management using the UAH Property Disposition Form.

Asset Management

Attachments

ASSET MANAGEMENT ATTACHMENTS

List of Figures

FIGURE AM -1	.	UAH Property Disposition Form
FIGURE AM -2	.	Fixed Asset Inventory Acknowledgement Form
FIGURE AM -3	.	UAH Property Relocation / Transfer Form
FIGURE AM -4	.	Property Classification Codes
FIGURE AM -5	.	Government Property Control System Manual (See accompanying document)
FIGURE AM -6	.	Temporary On-Loan / Donated Equipment Inventory Form
FIGURE AM-7	.	Off-Campus Equipment Verification Worksheet

Figure AM -1

THE UNIVERSITY OF ALABAMA IN HUNTSVILLE UAH PROPERTY DISPOSITION FORM

Use this form to authorize:

- The loaning of capital equipment to another University or Organization
- The cannibalization of capital equipment for useable parts
- The disposal of capital equipment by the user or department

INSTRUCTIONS:

Complete the form below with the UAH Inventory Number, the Item Description and the Method of Disposal (Cannibalized, Trashed, Scrapped, etc.) or the identification of loaned equipment. Please use the comment section to provide justification for property disposal or list the receiver, location and agreed conditions for any property loaned. **NOTE: Anyone taking equipment off-campus is responsible for replacement or repair of that equipment if it is damaged while off-campus. Anyone taking equipment off campus should have adequate insurance in case the equipment is lost or damaged while in the individual's possession. The appropriate signatures by the Department Chairman and Budget Unit Head must be included.** Submit the completed form to Asset Management, Central Receiving Building, Room 100. Call (256) 824-6315 if you have any questions.

Date of disposal or loan: (1) _____

(2) Capital Equipment Disposition

UAH ID NUMBER

DESCRIPTION

DISPOSITION METHOD

(3)	(4)	(5)

Disposal Justification:

(6) _____

Details of Loan Agreement:

(7) Department Loaning Equipment: _____
Receiver of Loaned Equipment: _____
Location of Loaned Equipment: _____
Length and Condition of Loan: _____

(8) I hereby accept the responsibility for and authorize the disposal of or the loan of the capital equipment listed above. The disposed property has been inspected and has been identified as unusable and/or not repairable.

Department Chairman

Date

Budget Unit Head

Date

Figure AM -2

Fixed Asset Survey Acknowledgement Form

1 Dept: _____ Dept. Org. # _____

3 Survey Completion Date: _____

4 Survey Conducted by:

Asset Management Representative (print) Department Representative (print)

Asset Management Representative Department Representative

We, the undersigned, certify and acknowledge that a fixed asset survey audit was conducted by UAH Asset Management personnel, in cooperation with the above named departmental representative(s).

A listing of all missing property (property that could not be located during the inventory survey) follows. We certify this equipment was not located during the audit:

UAH ID Number Description Last Known Location

UAH ID Number	Description	Last Known Location

(attach additional pages if necessary)

Missing Property Policy Statement

Property that cannot be located during the inventory survey is earmarked "Missing" on the property records. The Budget Unit Head should make every effort to locate the missing property and advise Asset Management if items are located.

Missing property will remain earmarked on the department's property records and the University accounting records until after completion of the department's inventory survey. 15 working days will be given to receive a signature on the form. 15 working days will be given to located missing property not found during the survey. 15 working days given, if missing property is not found, to elevate to Budget Head. 15 working days give, if missing property is still not located, missing property reported to Controller for further action as deemed necessary by the University..

7 _____
Budget Unit Head/Director/Chair/Dean Asset Management

Figure AM -3

THE UNIVERSITY OF ALABAMA IN HUNTSVILLE
UAH PROPERTY RELOCATION / TRANSFER FORM

This form is for inventory purposes only and is to be used when the department:

- Moves an item of equipment from one area of the department to another
- Transfers an item of equipment from one department to another
- Takes an item of equipment off-campus

For assistance from the Physical Plant with any move request, please use the Physical Plant Move Form (UAH/PP-011).

INSTRUCTIONS:

Complete the form below, including appropriate signatures by those with authority over the equipment, and submit to Asset Management, Central Receiving Building, Room 100. Call (256) 824-6315 if you have any questions. **NOTE: Anyone taking equipment off-campus is responsible for replacement or repair of that equipment if it is damaged while off-campus. Anyone taking equipment off campus should have adequate insurance in case the equipment is damaged.**

1 Date _____

2 Move or Transfer Equipment On-Campus

3 UAH ID NUMBER	4 DESCRIPTION	5 VALUE
_____ / _____	_____ / _____	_____ / _____
_____ / _____	_____ / _____	_____ / _____
_____ / _____	_____ / _____	_____ / _____
_____ / _____	_____ / _____	_____ / _____

6 **FROM**

Name _____

Phone No. _____

Department _____

Building/Room No. _____

Department Head Approval _____

TO

Name _____

Phone No. _____

Department _____

Building/Room No. _____

Department Head Approval _____

7 Move Equipment Off-Campus

8 UAH ID NUMBER	DESCRIPTION	VALUE
_____ / _____	_____ / _____	_____ / _____
_____ / _____	_____ / _____	_____ / _____
_____ / _____	_____ / _____	_____ / _____
_____ / _____	_____ / _____	_____ / _____

9 Name _____

10 Phone No. _____

11 Department _____

12 From Location (Bldg/Rm) _____

13 To Location _____

14 Approval _____

Department Head

Figure AM -4
Property Classification Codes

Asset Type		Expect- ed Life	Dep. Mth. ¹	1 st Yr. ²	Cap. ³	Real/ Personal	Move/ Attach	Equity Account	Capitaliza- tion Fund	Asset Account	Accum. Deprec.	Dep. Exp. ⁴
01	Computer Equipment	5	SL	M	Y	P	M	9210	73550	1740	1790	7999
02	Office & Business Machines	8	SL	M	Y	P	M	9210	73550	1740	1790	7999
03	Copiers	5	SL	M	Y	P	M	9210	73550	1740	1790	7999
04	Audio / Visual Equip.	8	SL	M	Y	P	M	9210	73550	1740	1790	7999
08	Computer Equipment (Manual Depreciation)	5	MAN	M	Y	P	M	9210	73550	1740	1790	7999
10	Furniture	8	SL	M	Y	P	M	9210	73550	1740	1790	7999
20	Lab/Scientific Equipment	8	SL	M	Y	P	M	9210	73550	1740	1790	7999
25	Government Furnished Equipment	5	NO	N	N	P	M	9210	73550	1740	1790	7999
30	Medical Equipment	8	SL	M	Y	P	M	9210	73550	1740	1790	7999
40	Athletic & Recreation Equipment	8	SL	M	Y	P	M	9210	73550	1740	1790	7999
50	Tools & Machinery	8	SL	M	Y	P	M	9210	73550	1740	1790	7999
70	General Equipment	8	SL	M	Y	P	M	9210	73550	1740	1790	7999
75	General Equipment (No Depreciation)	8	NO	N	N	P	M	9210	73550	1740	1790	7999
80	University Vehicles	5	SL	M	Y	P	M	9210	73550	1740	1790	7999

¹ Depreciation Method: SL = Straight Line Proportional, MAN = Manual Depreciation, NO = No Depreciation Taken

² 1st Year Depreciation Convention: M = Remaining Months Depreciation, N = No Depreciation

³ Capitalized: Y = Yes, N = No

⁴ Dep. Exp. = Depreciation Expense

Figure AM -5

Government Property Control System Manual - please review/click on the accompanying document

Figure AM -6

UAH PROPERTY INVENTORY TEMPORARY ON-LOAN / DONATED EQUIPMENT INVENTORY FORM

This form is for TEMPORARY ASSET/DONATED EQUIPMENT inventory purposes only and is to be used when:

- A department receives item(s) of capital equipment valued at \$5000 or greater on temporary loan from an **outside agency**, or
- A department receives donated item(s) of capital equipment valued at \$5000 or greater

INSTRUCTIONS: *This form is NOT to be used for gift receipt purposes. Donated equipment must be coordinated in advance through the University Development Office, in accordance with University Development policy and procedures, using the UAH Non-Cash Gift Approval/Acceptance Report.* This inventory form shall not substitute as a gift receipt.

Complete the form below, including appropriate signatures by those with authority over the equipment, and submit to Asset Management, Central Receiving Building, Room 101. Call (256) 824-6315 if you have any questions. **NOTE: *Campus relocation of assets must be reported using the Inventory Property Relocation form.***

Date of Inventory Addition Request: _____ (1)

DESCRIPTION OF RECEIVED ASSET(s):

MODEL No. (2)	DESCRIPTION (3)	SERIAL No. (4)	VALUE (5)
_____ / _____	_____ / _____	_____ / _____	_____ / _____
_____ / _____	_____ / _____	_____ / _____	_____ / _____
_____ / _____	_____ / _____	_____ / _____	_____ / _____

(6) **UAH Location of Equipment:** Building: _____ Room: _____ Department: _____

DETAILS OF INCOMING LOAN:

(7) **Length of Loan:** _____

(8) **Terms and Conditions of Loan:** _____

(9) **PROPERTY OWNER (Loaned Equip. Only):**

Name _____
 Phone No. _____
 Company/Govt. Agency Name _____
 Building/Room No./Department _____
 Company/Agency Approval Signature _____ Date _____

(10) **UAH CUSTODIAN (All Equipment)**

Name _____
 Phone No. _____
 Department _____
 Building/Room No. _____
 Department Head Approval Signature _____ Date _____

RETURN OF ASSET AT END OF LOAN TERM

Return of temporary assets owned by outside agencies to property owner(s) must **immediately** be reported to Inventory Control using the Inventory Control **Property Disposition** form. Inventory Control must be notified in advance of return so that the property tag(s) can be removed prior to returning property to owner.

For Inventory Control Use Only

UAH Property Tag No.: _____
 UAH System Asset No.: _____
 Date Created: _____
 Record Entered by: _____
 Signature/Title _____



OFF CAMPUS EQUIPMENT VERIFICATION WORKSHEET

Purpose: All trackable equipment located off-campus must be accounted for during the physical inventory process. If you have UAH - owned or government-owned equipment at an off campus location, you must complete this worksheet.

To be completed by the person with custody of equipment at a location other than the UAH campus. The following pieces of equipment are assigned to your custody. Please fill out all fields below and return completed form to UAH Asset Management at the address listed below.

Asset Tag	Description	Serial Number	Condition Code	Complete Off-campus Location Address	Comments

I hereby certify the equipment was physically verified and the information listed above is current, accurate and complete.

Printed Name: _____ Signature: _____ Date: _____

Note: In the event of large lists a separate spreadsheet listing of equipment may be attached.

- Condition Codes:** 101 - Unused and in good condition
 102 - Unused and in fair condition
 103 - Unused and in poor condition
 201 - In use and in good condition
 202 - In use and in fair condition
 203 - In use and in poor condition

If you have questions or need assistance completing this form, call (256) 824-6315

Unit/Dept. Equipment Custodian: Submit completed form to: UAH Asset Management, Central Receiving Bldg., Room 100