Title: Fixed Asset Management

PURPOSE:

The University has a significant investment in fixed assets that needs to be safeguarded to prevent loss, damage or theft. The following guidance provides for the consistent management and accounting of fixed assets and serves as a reference for answering questions to ensure that all assets are accounted for in accordance with University policies and state and federal regulations.

CRITERIA:

Fixed assets are comprised of tangible property (land, buildings, equipment, infrastructure, library books, and Equipment Trust Fund (ETF) purchases) and intangible property (software, patents, trademarks, copyrights, easements, and right-of-ways). All capital assets (≥ $5,000) and ETF equipment (≥ $500) are recorded in Old Dominion University’s (ODU) Banner Fixed Asset system.

BUDGET UNIT DIRECTORS’ RESPONSIBILITIES:

Budget Unit Directors (BUD) are ultimately responsible for, and are held accountable for, assuming control of all fixed assets in their custody or assigned to their department. This responsibility includes following best business practices and procedures for:

- Ensuring proper care, maintenance, control, and reasonable safeguards are in place to prevent loss, damage or theft of such fixed assets.
  - ETF equipment cannot be disposed of during the first seven years of ownership with the exception of computers, which is five years.

- Ensuring fixed assets are used for University business purposes and in accordance with University policies and state and federal regulations. An Equipment Use Authorization form [link] must be completed when University owned equipment is used off campus.

- Following proper procurement procedures for purchasing assets and ensuring the items ordered are actually received and in good working order. Departments shall not trade in equipment for credit toward the purchase of new equipment without the advanced approval of the Department of Procurement per the Department of Procurement Services Procurement Manual.

- Following proper procedures for the disposal of fixed assets and other property in accordance with the Department of Procurement Services, Equipment Disposal Procedure. [link]

- Timely reporting of asset loss:
  - Stolen – report all theft to the ODU Police Department and e-mail a statement explaining the circumstances with the police report to FixedAssets@odu.edu.
  - Lost - report to the ODU Police Department and e-mail a statement with any supporting documentation and/or police report to FixedAssets@odu.edu.
  - Damaged/Destroyed – report to the ODU Police, Risk Management and e-mail the Equipment Inventory Change form [link] and/or police report to FixedAssets@odu.edu.
Title: Fixed Asset Management

Procedure: 3-800

- Controlling and authorizing all equipment loaned to employees. Equipment may be utilized off campus for University business only while at home or on business travel. Budget Unit Directors must complete the Equipment Authorization Form [http://www.odu.edu/af/finance/facultystaff/general_accounting/Equipment_Authorization_Form.pdf] and submit a copy to the Office of Finance-General Accounting. This responsibility includes ensuring the equipment is returned from the employee upon request by the Supervisor or upon termination of employment of the employee.

- Designating department Fixed Asset Coordinator(s) (FAC) to act as a liaison for communication and conducting inventory. Confirming they attend training to obtain knowledge of their responsibilities for ensuring the accuracy of the inventory and taking proper care and control of assets.

- Notifying the Office of Finance-General Accounting of other changes to departmental equipment.
  - Interdepartmental & Intra-departmental transfers by completing the Equipment Inventory Change Form [http://www.odu.edu/af/finance/facultystaff/general_accounting/Equipment_Change_Form_with_info.pdf].
  - Trade in for cost allowance provided by vendor for purchase of new equipment. Departments shall not trade in equipment for credit toward the purchase of new equipment without the advanced approval of the Department of Procurement per the Department of Procurement Services Procurement Manual.
  - Equipment returned to the vendor.

- Notifying ODU Educational Foundation of all of all gifts in-kind (including equipment).

- When a Budget Unit Director does not exercise due care and maintenance of the asset, their budget may be charged up to the replacement cost of the asset.

**TAGGING & PHOTOGRAPHING:**

Procurement Services Property Control area is responsible for tagging of University assets and Office of Finance - General Accounting is responsible for photographing capitalized fixed assets. These two tasks will be coordinated when possible to prevent dual appointments for the department.

Tagging provides a unique identification number to each capital and ETF asset insuring items can be accounted for and identified within Banner.

Photographing provides the department with a visual representation of the asset.

**INVENTORY GUIDANCE:**

A physical inventory of capital assets and ETF is required at least once every two years in order to properly safeguard assets and maintain fiscal accountability. The equipment inventory process must be a cooperative effort between the Fixed Asset Coordinators and the members of the General Accounting Staff.

ODU's inventory will be conducted on a cyclical basis and the General Accounting office will establish a timetable and coordinate the effort necessary to conduct the inventory. Detailed instructions will be provided when inventory is scheduled.
The following general guidelines will ensure that the inventory will be effectively implemented and performed:

- Fixed Asset Coordinators will assist in conducting physical inventories in their respective area(s).
  - An Inventory listing will be provided from the Banner Fixed Asset system to the Fixed Asset Coordinator and items must be physically inspected for changes in condition, location and existence.
  - In order to be in compliance with State Regulations, the General Accounting staff will randomly verify the certified inventory listing provided from the Fixed Asset Coordinator through a physical follow up.

- Discrepancies between recorded and actual inventories must be resolved in a timely manner.

- Additions, deletions, and changes to records must be transmitted to the General Accounting office by the Fixed Asset Coordinators on a timely basis in order for ODU property management to be effective.

- Any items found to be unrecorded or not physically existing should be listed as a discrepancy and subsequently researched and resolved.

- Once all the University's locations have been checked for tagged, untagged, recorded or unrecorded items, the required changes will be processed by General Accounting management.

**CONTACT:**

For questions regarding this procedure contact FixedAssets@odu.edu.