

Policy Analysis: Asset Management #4.21 – 7/2009

Policy Objective:

To ensure the recording and maintenance of capital assets in accordance with state and federal regulations.

Applies To:

Any person responsible for purchasing, recording and maintaining or disposing of Ohio State capital assets.

Explicit Policy Requirements: (Items for which non-compliance will result in a policy Exception):

The following items are explicitly defined in the policy and should be considered as policy requirements; items which if not followed, will result in policy “exceptions.”

Ref #	Description	Page	Para
1	<ul style="list-style-type: none">Responsibilities of Dean/Vice President:<ol style="list-style-type: none">Financially responsibleMust assign one or more equipment coordinatorsMust sign the Physical Inventory and Equipment Review Report certification and any Asset Mgmt forms that address disposition of capital equipment prior to submission to Asset MgmtEnsures that adequate internal controls are in place and functioning	3	IV.B.
2	<ul style="list-style-type: none">Responsibilities of Organization Equipment Coordinator:<ol style="list-style-type: none">Review and certification of the status of all capitalized equipment listed on the Physical Inventory and Equipment Review made available annually by Asset MgmtMaintain accurate records of purchases and the disposition and location of all capitalized assetsProviding Asset Mgmt with all necessary formsSubmission of all necessary equipment disposal request transactions in the Surplus Property Mgmt SystemWorking with Asset Mgmt to schedule and complete required audits of capital equipmentTagging equipment within 30 days of receipt, when it is not received in Central Receiving	3/4	IV.C.1.
3	<ul style="list-style-type: none">The Equipment Coordinator must notify:<ol style="list-style-type: none">Asset Mgmt of any change in equipment status by directly entering information into the asset mgmt systemUniversity Police immediately if equipment is stolenThe Office of University Development when equipment is received as a gift to the universityThe Office of Sponsored Programs (OSP) for all status changes for research equipment	4	IV.C.2.

Policy Analysis: Asset Management #4.21 – 7/2009

Ref #	Description	Page	Para
4	<ul style="list-style-type: none"> If equipment is not shipped to the university's Central Receiving facility, then the receptor within the organization is responsible for accessing the PeopleSoft Financials system to create an online receipt when the equipment has been delivered. 	4	IV.D
5	<ul style="list-style-type: none"> The use of any type of university equipment for private or personal purposes is prohibited. 	4	IV.E.
6	<ul style="list-style-type: none"> Equipment purchases are made using the on-line procurement system and must follow the policies issued by the Purchasing Dept 	5	I.A.
7	<ul style="list-style-type: none"> All capitalized equipment is purchased using specific account values (65311 through 65399). 	5	I.B.
8	<ul style="list-style-type: none"> As part of the procurement process, purchasing capitalized equipment requires the entry of tracking and reporting information into the asset management system, which assigns an asset profile ID to the capitalized item for identification and tracking purposes 	5	I.C.
9	<ul style="list-style-type: none"> Each asset is created when Central receiving has receipted the item and the invoice is paid 	5	I.D.
10	<ul style="list-style-type: none"> The asset ID number is assigned when the asset is created 	5	I.E.
11	<ul style="list-style-type: none"> All university and Office of Sponsored Programs capital equipment should be routed to Central Receiving for delivery and tagging 	5	II.A.
12	<ul style="list-style-type: none"> Requisitions for capitalized assets that do not qualify as exceptions should contain the ship-to code for Central Receiving 	5	II.B.
13	<ul style="list-style-type: none"> Requisitions received in the Purchasing Dept that do not direct capitalized equipment to Central Receiving will be changed by the central buyers prior to issuance of the PO 	6	II.C.
14	<ul style="list-style-type: none"> See Asset Mgmt policy for complete details of physical limitations of Central Receiving and Items outside the scope of shipping delivery 	6	II.D.E.
15	<ul style="list-style-type: none"> The departments of Purchasing and Asset Mgmt should both be notified if an order appears to be delinquent, unsatisfactory, in error, or does not conform to the specifications of the purchase order. All damaged equipment must be reported immediately to the Purchasing department. 	7	III.B.
16	<ul style="list-style-type: none"> Information from Central Receiving, which confirms delivery of items from vendors, is to be maintained in the organization's files 	7	III.D
17	<ul style="list-style-type: none"> Shipping or packing lists that accompany items shipped directly to the organization are to be maintained in the organization's files 	7	III.E.
18	<ul style="list-style-type: none"> All receipted capitalized equipment is assigned a tag number 	7	IV.A.
19	<ul style="list-style-type: none"> The tag is affixed to the equipment by Asset Management staff at Central Receiving or the Equipment Coordinator in the organization 	7	IV.C.
20	<ul style="list-style-type: none"> If it is not possible to affix the tag to an item due to its size, number of components or delicate nature, then "untaggable" is noted in the comment field of the asset mgmt system, and the assigned tag is kept with the item's invoice in the organization files for the life of the asset 	7	IV.D.
21	<ul style="list-style-type: none"> Non-capitalized equipment items (with a value less than \$5,000), require tagging in certain cases, such as those tracked in the asset management system or those which are considered theft-prone, 	8	IV. F.

Policy Analysis: Asset Management #4.21 – 7/2009

Ref #	Description	Page	Para
	sensitive, or which may be taken off campus.		
22	<ul style="list-style-type: none"> Equipment Trade-In – Form AM0001, “Application for Asset Retirement Form,” must be submitted to Asset Management for all items outdated or surplus due to replacement purchases. 	8	V. A.
23	<ul style="list-style-type: none"> Off-Campus Use – Assignment to an employee of any movable equipment that is to be used off-site or that could reasonably be used off-site must be documented on form AM0004 “Agreement for Assignment of University Equipment.” This includes all items, whether capital or non-capital and irrespective of whether the organization has chosen to track non-capital items in the asset management system. A copy of form AM0004 for each item must be kept in the organization’s files. 	8	V. B.
24	<ul style="list-style-type: none"> If equipment is moved to another room or building the asset location code must be changed in the asset management system by the Equipment Coordinator. 	9	V. C.
25	<ul style="list-style-type: none"> Transfer to another Ohio State Organization – If the ownership of equipment is transferred between OSU organizations, form AM0003, “Equipment Ownership Transfer Form,” must be submitted to Asset Management and include asset ID and tag numbers as well as the new location code. The organization from which the item is being transferred is responsible for obtaining approval of the Dean/VP or their designee for both the transferring and receiving organizations. 	9	V. D.
26	<ul style="list-style-type: none"> Permanent Transfer from Ohio State to another University – Form AM0005, “Permanent Transfer/Sale of Property” must be completed and submitted to Asset Management. 	9	V. E.
27	<ul style="list-style-type: none"> Permanent Transfer to Ohio State from another University – Form AM0002, “Additional Item Form” should be submitted to Asset Management. 	10	V. F.
28	<ul style="list-style-type: none"> Equipment Retirement – Certain categories of equipment should be removed permanently from the organization’s inventory records. These are: Equipment that is destroyed by natural disaster, Stolen equipment (that must also be reported to University police), Equipment that is salvaged for parts, Equipment that is transferred to a state agency, Equipment that is traded in, Equipment that is lost, Equipment that is destroyed (other than by a natural disaster), Equipment that is returned to the research sponsor, and Equipment that should be reclassified as “fixed” equipment. Form AM0001, “Application for Asset Retirement Form” must be submitted to Asset Management with all appropriate signatures and information to retire any of the above equipment. 	10	V. G.
29	<ul style="list-style-type: none"> Stolen equipment must be reported immediately to University Police. Form AM0001, “Application for Asset Retirement Form,” must be submitted to Asset Management along with a copy of the police report. 	10	VI.
30	<ul style="list-style-type: none"> Surplus Property – The Equipment Coordinator is responsible for identifying and disposing of items that are surplus to the 	11	VII.

Policy Analysis: Asset Management #4.21 – 7/2009

Ref #	Description	Page	Para
	<p>organization's needs.</p> <ul style="list-style-type: none"> • Removing equipment to Surplus Materials Disposal must have the approval of the relevant Dean/VP or SFO before disposal. • All surplus equipment must be disposed of through the Office of Surplus Materials Disposal using the surplus property management system. • T&P should be contacted when trading in or disposing of vehicles. • Only the Office of Surplus Materials Disposal is authorized to sell, auction, or scrap equipment. 		
31	<ul style="list-style-type: none"> • If your organization tracks non-capitalized items in the PeopleSoft Asset Management system, you are required to use tags provided by Asset Management. 	12	VIII. E.
32	<ul style="list-style-type: none"> • Non-capitalized equipment which is used off-site must bear a non-capitalized equipment tag (either from the unit or an asset management tag) in order to identify is as university property. 	12	VIII. G.
33	<ul style="list-style-type: none"> • Each organization tracking non-capitalized items through the Asset Management system is responsible for retiring those items when they have been disposed. • All non-capitalized assets must be disposed in accordance with the policies and procedures for surplus property. 	12	VIII. I.
34	<ul style="list-style-type: none"> • Requisitions and buyers are required to include a Capitalized Asset Standard Comment for each ordered asset. The comment includes information such as final location of the asset, a detailed description, the asset make and model and other information used in creating the asset. 	13	X. A.

Summary of Potential Policy Exceptions:

- PIER report and/or any asset forms have not been signed by the Dean/VP.
- Not submitting and maintaining appropriate records for purchases and dispositions of assets.
- Purchasing assets using means other than the Purchasing Department procedures.
- The unit does not maintain documentation from either Central Receiving (confirming delivery of items from vendors) or shipping/packing lists that accompany items shipped directly to the organization in their files.
- Non-capitalized items such as those tracked in the Asset Management system or those which are considered theft prone, sensitive, or which may be taken off-campus are not tagged.
- Failure to report stolen assets to University Police and submit the AM0001 and a copy of the police report to Asset Management.
- Failure to obtain the Dean/VP or SFO approval for items being surplus prior to disposal.
- Failure to use the Asset Management system for capital assets costing more than \$5000.
- Failure to have a physical audit of *all* assets within your organization once every two years.

Policy Analysis: Asset Management #4.21 – 7/2009

- Equipment coordinators have not been assigned.
- PIER report has not been certified by equipment coordinator.
- Missing tag on asset.
- Capitalized equipment is purchased using accounts other than 65311 through 65399.
- The unit did not contact Purchasing and Asset Management for a delinquent, unsatisfactory, or damaged order or an order that does not conform to the specifications of the purchase order.
- Received, capitalized equipment is not assigned a tag number.
- Failure to document any asset that is to be used off site with the AM0004.
- Failure to document any asset that has been traded-in or retired with the AM0001.
- The equipment coordinator does not update the Asset Management system when an item is moved to another room or building.
- Failure to document any asset that is to be transferred to another Ohio State organization with the AM0003.
- Failure to document any asset that is to be transferred to another University with the AM0005.
- Failure to document any asset that is to be transferred to Ohio State from another University with the AM0002.
- Failure to dispose of items through Surplus Materials Disposal in accordance with surplus property's policies and procedures.
- Failure to contact T&P when trading in or disposing of vehicles.
- Failure to use required tags **provided by** Asset Management for all items (including non-capital) tracked in the Asset Management system.
- Failure to include a Capitalized Asset Standard Comment on each ordered asset (done by the buyer in purchasing).

Policy Areas of Potential Student Life Interpretations and/or Follow-up with Business & Finance:

The following items are potential areas of policy interpretation, left to the discretion of Student Life:

Ref #	Description	Page	Para
1	<ul style="list-style-type: none"> • Do “consumable” items need to be tagged? <i>Items that do not really have a usefulness from a personal standpoint do not need to be tagged unless they need to be tracked for other department reasons.</i> 		Ask Bufi
2	<ul style="list-style-type: none"> • Is the workstation only the computer or does it include the monitor and all other attached equipment? Should these be tagged as one item or separately? <i>This is up to the individual department and their IT staff that has to track their inventory on a yearly basis.</i> 	11	Ask Bufi

Areas of Consideration for Defining as “Reasonable” in the ICS:

- N/A

Potential Training Topics:

- Institutional Data Policy
- Business Responsibilities
- Business Expenditures
- Understanding and Preventing Fraud
- Internal Controls
- Purchasing procedures
- Application of each Asset Management form