



## Kutztown University Policy A&F-021

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### University Asset Responsibility

#### A. Purpose

This policy provides guidance for the safeguarding of university assets. The policy also serves to ensure compliance with regulatory requirements.

#### B. Scope

This policy applies to all University employees: faculty, staff and temporary employees. It is applicable to all University-owned assets to include capital assets and capital leases.

#### C. Definitions

1. Capital Assets: Assets with a purchased value of at least \$5,000 and an expected life greater than two years. Capital assets include equipment, vehicles, computer software, as well as buildings and improvements.
2. Capital Leases: Assets valued over \$5,000 which are paid in installments, but considered assets of the university. The factors determining this designation will be evaluated by the Comptroller's Office for each lease agreement. Disposable Assets: Assets that are destroyed or broken beyond repair. It also refers to items which are technically obsolete.
3. Donated Assets-Gifts in Kind (GIK): Assets acquired by the University from an outside entity which must be officially received via the Kutztown University Foundation (KUF) donation procedure as a gift in kind.
4. Inventory Number: A permanent bar code tag or serial number plate, readily visible, which is included within the financial information system asset record.
5. Inventory Listing: An itemized listing of capital assets provided by the Comptroller's Office to divisions and colleges.
6. Low Value Assets: Equipment and furnishings with a value less than \$5,000 per item.

7. Retired Assets: Assets no longer used by the University that have been scrapped or liquidated and properly recorded as retired on the financial information system asset system.
8. Surplus: Assets for which the division or college no longer have use.

#### D. Policy

1. Responsibility and Stewardship: Divisions and colleges are responsible for the stewardship of assets used within their respective organizations. This responsibility includes proper use, care, securing asset areas, and reporting changes of status to the Comptroller's Office. The Comptroller's Office is responsible to accurately report capital asset additions and retirements within the financial information system.
2. Safeguarding University Assets: The Comptroller's Office will ensure University assets are safeguarded by utilizing inventory numbers and performing periodic physical inventories. Under current regulatory requirements capital assets are counted at least once every three years. Divisions and colleges will conduct capital asset inventories in their respective areas upon receipt of inventory listings provided by the Comptroller's Office. University assets may not be used for personal purposes.
3. Surplus Assets: The University does not warehouse surplus assets. The goal of liquidation is to maximize the value of surplus assets to the University and PASSHE and to prevent stockpiling of surplus equipment within divisions and colleges. Divisions and colleges should use the FREE TRADE site as a first step to transfer property/supply to other organizations on campus. If unsuccessful, the supply/property will be offered to other universities within PASSHE. If there is value to the property/supply, we will consider an auction to sell the item(s) after exhausting the first two alternatives above. Because donations are not authorized, we can write "\$0.00" contracts for the removal and disposal, etc. of said items. Unused surplus should be disposed of according to PA Manual 215.3
4. Donated Assets- Gifts in Kind: Assets may be donated to the university from outside entities when there is a productive or educational use. All donations of assets are recognized as *Gifts in Kind* (GIK) by the Kutztown University Foundation (KUF) through a fiduciary agreement with the University.

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5. Enforcement: Enforcement of this policy and maintenance of the asset inventory is the responsibility of the Comptroller's Office within the division of Administration and Finance.

**E. Effective Date**

May 1, 1997

Revised 5/8/2006

**F. Approved By**

Originally Adopted by President David McFarland

**G. Amendments**

3/27/2014: Expanded language to revise purpose and scope paragraphs; revised and amended the definitions; and narrowed the focus of the policy.

**H. Last Review**

3/12/2014