

4-OP-D-2-F Property

Responsible Division: Finance and Administration

Approving Official: Vice ~~President~~-custodian for Finance and Administration

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I. INTRODUCTION

A. The purpose of this policy is to provide direction for the purchasing, recording, safeguarding and disposing of University and Government owned assets.

B. Definitions

1. **Account Code** - A 6 digit code utilized by the OMNI system. Tangible personal property that is a capital asset should generally be purchased using the 760000 series account codes.
2. **Attractive / Sensitive Property** – Expendable property items that are prone to theft because they are either portable, contain new technology, or are easily adaptable for personal use.
3. **Capital Property** - Real, personal or intangible property that has a cost equal to or greater than an established capitalization threshold and has a useful life extending beyond one year.
4. **Direct Support Organization (DSO)** - Separately incorporated organization that operates exclusively to provide the University with supplemental resources.
5. **Expendable Property** - Non-consumable tangible personal property with a useful life less than one year and/or an acquisition cost of less than \$5,000. Although tagging and annual inventory of expendable property is not required, departments are still held accountable for the safeguarding of such items.
6. **Impaired Assets** – If assets have been permanently impaired, whether by damage, neglect, obsolescence, or a change in the economic landscape, such that future expected cash flows from the assets are less than their net book value on the balance sheet, the assets must be written down to their estimated remaining value or, in some cases, written off entirely.
7. **Internally Generated Intangible Assets** – Assets developed by in-house staff or with contractors who work on behalf of the University or commercially available software that is purchased or licensed and modified using more than minimal effort before placed into service. Changing code, changing fields, adding special reporting capabilities and testing changes satisfy the more than minimal effort to place into service criterion.
8. **Library Resources** – Books and other reference materials, such as journals, periodicals, audio/visual media, computer-based information, manuscripts, documents and similar items.
9. **Operating Capital Outlay (OCO)** - The budget category used to fund the purchase of equipment, fixtures and other tangible personal property of a non-consumable and non-expendable nature. The OMNI Account Code range for identifying most OCO items is the 760000 series.

10. **Property Tag Number** - The number assigned to an item by the Controller's Office; usually in the form of a decal, which is affixed to tangible personal property items that are capital assets

11. **Tangible Personal Property** - Equipment, fixtures, and other tangible property of a non-consumable and nonexpendable nature. All tangible personal property items that are capital assets acquired by or for the University through purchase, fabrication, donation, transfer or loan should be recorded in the University property records in OMNI and inventoried annually.

II. POLICY

A. Responsibilities

~~SPECIFIC AUTHORITY~~

~~BOG Regulation 9.001—Definitions~~

~~BOG Regulation 9.002—Recording and Marking of Property~~

~~BOG Regulation 9.003—Property Inventory~~

~~BOG Regulation 9.0031—Disposition of Property~~

~~Circular A-110 Subpart C—Property Standards related to Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200 (Uniform Guidance)~~

~~Federal Acquisition Regulations, parts 45 and 52.245~~

~~OBJECTIVE~~

~~The purpose of this policy is to provide direction for the purchasing, recording, safeguarding and disposing of University and Government owned assets.~~

~~OVERVIEW~~

~~These policies and procedures describe department roles regarding the purchase, donation, transfer, fabrication, exchange, removal and disposition of University property.~~

~~A. DEFINITION OF TERMS~~

~~**Account Code**—A 6 digit code utilized by the OMNI system. Tangible personal property that is a capital asset should generally be purchased using the 760000 series account codes.~~

~~**Accountability Release Form**—Form used to document the approval of and details related to the disposition of University or Government owned capital tangible personal property as well as all vehicles and devices containing a hard drive This form is also used for the transfer to Surplus Property of all tangible property items which have been determined to have residual value.~~

~~**Asset Profile**—Identifies the depreciation criteria for an asset. Asset Profile is the flag in OMNI which identifies that an item is a capital asset. Assignment of an Asset Profile is required for items to be capitalized in OMNI.~~

~~**Attractive Item Additions Form**—Form used to request adding an attractive/sensitive property item in the University's Asset Management System (OMNI) for the purpose of identifying and tracking such items.~~

Attractive / Sensitive Property—Expendable property items that are prone to theft because they are either portable, contain new technology, or are easily adaptable for personal use.

Capital Property—Real, personal or intangible property that has a cost equal to or greater than an established capitalization threshold and has a useful life extending beyond one year.

Capital Property Change Form—Form used to document a change to the location, Department ID, Fund Code or Project ID of capital assets.

Direct Support Organization (DSO)—Separately incorporated organization that operates exclusively to provide the University with supplemental resources.

Equipment Use Request Form—Form used to request approval to use capital assets that are tangible personal property at off-campus locations.

Expendable Property—Non-consumable tangible personal property with a useful life less than one year and/or an acquisition cost of less than \$5,000. Although tagging and annual inventory of expendable property is not required, departments are still held accountable for the safeguarding of such items.

Intangible Assets—Lack physical substance, are nonfinancial in nature and have a useful life extending beyond a single reporting period. Common examples are computer software, easements, patents, copyright and trademarks. Intangible assets with a cost equal to or greater than the capitalization threshold and have a useful life extending beyond one year are capital assets

Impaired Assets—If assets have been permanently impaired, whether by damage, neglect, obsolescence or a change in the economic landscape, such that future expected cash flows from the assets are less than their net book value on the balance sheet, the assets must be written down to their estimated remaining value or, in some cases, written off entirely.

Internally Generated Intangible Assets—Assets developed by in-house staff or with contractors who work on behalf of the University or commercially available software that is purchased or licensed and modified using more than minimal effort before placed into service. Changing code, changing fields, adding special reporting capabilities and testing changes satisfy the more than minimal effort to place into service criterion.

Inventory Completion Certification Form—Form used to certify the completion of the annual inventory; to document any exceptions noted during the inventory process; and to verify that capital assets that could not be scanned during the annual inventory are in the department's custody

Library Resources—Books and other reference materials, such as journals, periodicals, audio/visual media, computer-based information, manuscripts, maps, documents and similar items.

Media Scrubbing—Sometimes referred to as media or data cleansing, wiping or sanitation, is the process of completely deleting the contents of a computer's hard drive. Deleting all files is not the same as scrubbing the media. All computers or other equipment/media devices with hard drives must be scrubbed prior to sending the property to the surplus warehouse. The property must have the completed scrub sticker attached to the equipment

Online Management of Networked Information (OMNI)—The name of the University's enterprise resource planning system.

~~Operating Capital Outlay (OCO) – The budget category used to fund the purchase of equipment, fixtures and other tangible personal property of a non-consumable and non-expendable nature. The OMNI Account Code range for identifying most OCO items is the 760000 series.~~

~~Property Tag Number – The number assigned to an item by Accounting & Property Services; usually in the form of a decal, which is affixed to tangible personal property items that are capital assets~~

~~Tangible Personal Property – Equipment, fixtures, and other tangible property of a non-consumable and nonexpendable nature. All tangible personal property items that are capital assets acquired by or for the University through purchase, fabrication, donation, transfer or loan should be recorded in the University property records in OMNI and inventoried annually.~~

B. RESPONSIBILITIES

All property is owned by the University and not by a specific individual, department or other operating unit and the official custodian is the President. Responsibility is delegated to the Vice Presidents, Deans and Directors. The Vice President, Dean or Director may delegate this responsibility to another individual by completing the Property Management Role Designation form and submitting it to Accounting & Property Services the Controller's Office specifying the delegate and the Department ID's for which the delegate will be responsible.

1. Accounting & Property Services The Controller's Office (APS)

The role of APS the Controller's Office is to establish policies and procedures that help ensure the accountability and safeguarding of University assets; ensure compliance with applicable laws, rules and policies and procedures; coordinate the annual physical inventory; account for acquisitions, transfers and disposition of capital property; depreciate capital property over the estimated useful life; and maintain the property records in OMNI.

2. University Departments

The role of University departments is to effectively manage and safeguard property; ensure that University capital assets are marked / tagged in accordance with applicable rules, policies, and procedures; provide non-accounting information in a timely manner to APS the Controller's Office for updating OMNI; and to ensure the performance of the annual inventory of capital assets in its custody.

- *Property Manager* - The department Property Manager is the individual designated by the Vice President, Dean or Director who has been assigned the responsibility for authorizing the transfer or disposal of University property; this includes determining the appropriate disposition method (surplus, scrap, etc.) for the department's property. If a department Property Manager has not been assigned, these duties will default to the Department Budget Manager. In the case of contract and grant acquired property, and as long as the contract or grant is active, the Principal Investigator is the Property Manager.
- *Property Custodian* - The department Property Custodian is the individual designated by the Vice President, Dean or Director who has been assigned the responsibility for the identification of University property and the maintenance of the department's property records. The assignment of this responsibility does not relieve the Vice President, Dean or Director from accountability for property assigned to his or her area.
- *Inventory Taker* - For certain departments that perform their own inventory, the department Inventory Taker is an individual designated by the Vice President, Dean or Director who has been assigned the responsibility for the inventory of property. To help maintain adequate

internal controls, this person should not be the Property Custodian or the department Property Manager.

3. Property Survey Board

The role of the Property Survey Board is to examine and approve the disposition of capital assets. The Board has delegated approval for the disposition of capital assets, with a cost of less than \$100,000, to the [APSC Controller's Office](#) department.

4. Sponsored Research Administration (SRA) Post-Award Office

SRA is responsible for ensuring property acquired with federal contract or grant (C&G) funds is acquired, tracked, reported on, maintained, and disposed of in accordance with applicable federal rules and regulations, including but not limited to the Office of Management and Budget Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Circulars), 2 CFR §200 (Uniform Guidance), and Federal Acquisition Regulations. SRA must coordinate the proper accounting for and tagging of title restrictions on C&G acquired assets. SRA must also approve transfers and dispositions of [capital](#) property acquired with contract or grant funds. After SRA approval, the appropriate property [change](#) form should be sent to [APSthe Controller's Office](#) for processing.

5. Principal Investigators

Principal Investigators (PIs) are responsible for the management of property acquired through their sponsored awards and have ultimate responsibility for compliance with this policy as well as the terms and conditions outlined in the sponsored award. PIs are responsible for tracking equipment utilized in their facilities or under their direction, assisting in the completion of reports and physical inventories, and notifying the department of any changes with respect to condition, location, loss or damage. For subcontracts, PIs are responsible for ensuring that government-owned property in the subcontractor's possession or control is properly accounted for. Any instance of loss, damage or distribution of government owned property should be reported to the PI by the subcontractor and the PI is required to then inform SRA for appropriate action and reporting to the prime agency. Also, PIs are responsible for obtaining inventory reports from subcontractors when required by the prime award and coordinating with SRA for timely submission of the required reports by SRA.

B. Safeguarding of University Property

C. SAFEGUARDING OF UNIVERSITY PROPERTY

It is the department's responsibility to ensure University property is safeguarded. This includes the following:

- **▲** Locking equipment in secured locations

- **▲** Training staff on procedures for properly handling equipment
 ▲
- Locking doors when rooms are not in use
 ▲
- Storing equipment in environmentally suitable locations to prevent corrosion, contamination and damage of sensitive parts
 ▲
- Tracking items that are removed from campus

Attractive/sensitive property will vary from department to department and should be evaluated in the context of its environment. Factors that should be considered when evaluating the attractiveness or sensitivity of an item includes its portability, its adaptability for personal use, whether it contains new technology, its potential resale value if stolen, and/or the security of its location. Departments should perform a risk assessment (both financial and operational) on their property to identify those items that are particularly at risk or vulnerable to loss. Departments are encouraged to conduct a cost/benefit assessment before developing any internal policies for managing these property items, which includes conducting a periodic inventory. The University's Asset Management System (OMNI) is available for departments use to help identify and track attractive/sensitive property. A property tag may be obtained for the item by submitting an [Attractive Item Additions Form](#) to [APSthe Controller's Office](#). Recommended information that may be maintained on such items includes:

- Acquisition date
- Cost
- Description
- Manufacturer
- Serial number
- Current location
- Comments

C. Maintenance ~~D. MAINTENANCE~~

Departments are responsible for performing adequate maintenance and/or calibration of all property for which they are accountable. Maintenance shall be performed in accordance with the manufacturer's specifications or as deemed necessary. Maintenance logs must be maintained by the department for property purchased through federal awards. These logs should detail the property, property ID, date and type of maintenance performed. As routine maintenance is performed, departments should be mindful of the condition of the property in their possession and notify [APSthe Controller's Office](#) should assets become impaired. In addition, Departments must ensure that government-owned property is used for the purpose for which furnished or acquired.

D. Acquisitions ~~E. ACQUISITIONS~~

1. Capitalization of Assets

University capital assets consist of land, buildings, infrastructure and other improvements, furniture and equipment, library resources, works of art and historical treasures, construction in progress, and other capital assets. These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair value at the date received in the case of gifts and purchases of State surplus property.

Additions, improvements, and other outlays in excess of \$5,000 that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of \$5,000 for all tangible personal property, \$250 for library resources, \$100,000 for buildings and other improvements and \$4,000,000 for intangible assets, including software.

Depreciation/Amortization is computed on the straight-line basis over the following estimated useful lives:

- Buildings, Infrastructure and Other Improvements – 10 to 50 years
- Furniture and Equipment – 3 to 20 years

- [Software – 5 years](#)
- [Library Resources – 10 years](#)

21. Purchases

~~In most cases, capital assets should be purchased from Operating Capital Outlay (OCO) funds. The Purchase Requisition or ID Requisition must reference the applicable Account Code and Asset Profile in addition to the Department ID, Fund Code, and Project ID (if applicable). The asset profile flags items to be placed in the OMNI Asset Management tables. If a property item is acquired and the expenditure erroneously coded with an account code other than a 76XXXX and/or does not have an asset profile attached to the item, the department Property Manager should notify APS of the acquisition via a memorandum. APS will make the necessary online corrections in the Asset Management module. For a purchase of personal tangible property or equipment to be considered capital, the purchase must meet the capitalization threshold ~~(\$5,000)~~. Requisitions for these purchases should use an appropriate OCO Commodity Code and/or Account Code (generally, 76xxxx).~~

Freight, installation, and other costs incurred to acquire or install the property are considered part of the cost of the item and will be included in the cost of the asset.

~~Improvements of existing equipment costing \$5,000 or more that will extend the equipment's useful life, should be considered capital and coded as such. The Expenditures of \$5,000 or more for addition of components to an existing item of property should be added to the cost of the existing asset. In preparing the requisition, the property Asset ID or tag number of the property to which the component is being added which is being improved should be referenced. Replacement parts, repairs, and service contracts are not additions to the property.~~

~~Unless approved in advance by APS, capital assets may not be purchased on blanket purchase orders.~~

32. Internally Generated Intangible Assets

Computer software is the most common internally generated intangible asset. Activities associated with developing internally generated intangible assets should be classified in three phases and whether the activities are expensed or capitalized depends on the associated phase.

a) Preliminary Project Stage - Activities include conceptual formulation and evaluation of alternatives, determination of existence of needed technology and final selection of alternatives for the development of the software. Expenditures incurred in this phase should be expensed.

b) Application Development Phase - Activities include software configuration and interfaces, coding, installation of hardware, testing parallel processing, and data conversion. Expenditures in the application development phase should be capitalized.

c) Post-Implementation Phase - Activities include application training, and software maintenance. Expenditures incurred in this phase should be expensed. Capitalization of costs should begin when both the Preliminary Project phase is complete and management has authorized or committed to funding the software project with the intent it will be completed and used to perform its planned functions. Capitalization should cease when the software is substantially complete and operational.

43. Donated Property

Property may be donated to the University without expenditure of funds other than shipping costs. The procedure and documentation required for the donated item(s) depends on the benefiting entity.

a) Benefiting a Contract or Grant Organization

Prior to acceptance of donated property, the Property Manager should send a memorandum to SRA detailing the following information about the item(s) ~~to SRA~~:

- Itemized list of donated items, with complete descriptions
- Value (cost or fair market value)
- Original acquisition date
- Name and address of the providing agency

A copy of the memorandum should be forwarded to APSThe Controller's Office. SRA will determine if the acquisition is in the best interest of the University and ensure the transaction is handled in accordance with applicable State and Federal regulations, as well as contract or grant terms and conditions. When the property is received, SRA will forward the documentation to APSThe Controller's Office to support the acquisition. The documentation should include the Department Code, Fund Code, and Project ID to which the property is to be assigned.

b) Benefiting other than a Contract or Grant Organization

Prior to acceptance of donated property, the Property Manager should send a memorandum to the appropriate DSO (FSU Foundation Inc., Seminole Boosters Inc., The Research Foundation, Inc., etc.) detailing the following information about the item(s) ~~to the appropriate DSO (FSU Foundation Inc., Seminole Boosters Inc., The Research Foundation, Inc., etc.)~~:

- Itemized list of donated items, with complete descriptions
- Value (cost or fair market value)
- Original acquisition date
- Department ID and Fund Code to which the property is to be assigned
- Name and address of the donor

A copy of the memorandum should be forwarded to APSThe Controller's Office.

54. Fabrication of Equipment

Property fabricated or constructed by the University may meet the criteria of a capital asset. APSThe Controller's Office should be notified at the outset of such a project. The department Property Custodian should maintain accurate records of all related expenditures, including, but not limited to, the cost of labor, and component parts. The Property Custodian should also ensure all related expenditures are properly recorded as capital expenditures (using a 76XXXX Account).

Upon completion, the department Property Custodian should submit a memorandum to APSThe Controller's Office detailing a description of the property, the accumulated cost of the property, and the Department ID, Fund Code, and Project ID (if applicable) to which the property is to be

assigned. If the accumulated cost is not practicably determinable, the estimated cost or fair market value should be provided.

65. Vehicle

[APSThe Controller's Office](#) is the only department authorized to have direct contact with the Department of Motor Vehicles. All vehicles should be acquired through [FSU Procurement Services](#) and should be appropriately maintained to ensure the maximum service life of the vehicle

See University policies [4-OP-C-9](#) and [4-OP-C-7-G8](#) for information on the use and license requirements, respectively, for University-owned vehicles. [Also see 4-OP-E-8 FSU Vehicle Management Program for information concerning the management, maintenance, and care of University vehicles.](#)

76. Capital Asset Property Identification Number

All capital asset tag numbers/decals are assigned by [APSThe Controller's Office](#), who will coordinate with the department's Property Custodian in order to ensure a tag is affixed to each capital item acquired. [APSThe Controller's Office](#) will also work with the Property Custodian to ensure all pertinent data about the newly acquired capital asset is accumulated and ~~loaded~~ [recorded into OMNI](#).

In situations where the decals cannot be affixed directly to the capital asset (i.e., lenses, [art](#), delicate equipment, software, etc.), the tag should be placed on the container of the property, or in the case of software, on the software documentation. If no container or documentation is available, an identification number with a prefix of 09 will be assigned to the capital asset. The 09 prefix indicates that a decal could not be affixed, but recording and inventory is still required. The department is responsible for developing and maintaining procedures for the identification and control of the capital asset without a decal directly affixed

Special Conditional Property (CT) tags will be assigned to capital assets acquired with contracts or grants that specify restricted title to the asset. SRA will work with the PI to determine when such restrictions expire and notify [APSThe Controller's Office](#) so that the CT tag can be removed and replaced by a regular FSU Property tag.

Special U.S. Government tags will be assigned to capital assets where the title is retained by the federal government.

E. Inventory

F. PROPERTY INVENTORY OF CAPITAL ASSETS

BOG Regulation 9.003 requires an annual inventory of tangible personal property that is a capital asset. An annual physical inventory is not required for library resources. The catalog and inventory control records maintained by the libraries shall constitute the property records. The Dean or Director of each unit assigned to perform the annual inventory process will designate an Inventory Taker who will be responsible for the inventory of that unit's property. This individual should be an employee other than the Property Custodian or the Property Manager. Note that in some cases the annual inventory may be completed by central [Property ServicesController's Office](#) staff for departments with a small number of assets.

1. Annual Inventory

The annual inventory will be scheduled and coordinated by [APSthe Controller's Office](#) who will notify the department of the inventory deadline and the assets that must be inventoried in that fiscal year. [APS The Controller's Office](#) will also ensure that all departments responsible for performing their own inventory are issued a property inventory scanner on either a permanent or temporary basis. The Property Custodian, Property Manager, and Inventory Taker are required to complete property-related training, as specified by [APSthe Controller's Office](#).

2. Inventory Completion Certification

In order to certify the completion of the annual inventory, the Inventory Taker, Property Custodian, and Property Manager must complete and sign the [Inventory Completion Certification Form](#). This form should detail assets that have been disposed, or transferred to another University department, as well as any items that were physically verified but which could not be scanned. Additionally, the form should detail all items that could not be located and are deemed missing, if any.

3. Missing Items

The department is responsible for determining the status of each missing item and should make a good faith attempt to locate items missed in the initial scan. Inventory items that the department is unable to locate must be documented via the [Capital Property Accountability Release Form](#) along with a Police Report. These forms should be completed at the time the asset is identified as missing. Additionally, if the missing item was acquired through a contract or grant, the department is responsible for completing the required state or federal forms pursuant to the applicable regulations and award terms and conditions. Departments have a responsibility to continue to actively search for any items reported as missing after they have certified the completion of their inventory. Departments have a two year period in which to locate the items unaccounted for during annual inventory before the assets are [sent to the University President for approval to](#) permanently remove [these items](#) from the University's property records.

~~4. Inventory Compliance~~

~~A department is deemed to be out of compliance with the Property Inventory policy if any of the following conditions exist:~~

~~a) The department is, in any given year, unable to account for property equal to or more than:~~

- ~~i. 5% of the unit's total inventory count or dollar value, or~~
- ~~ii. Seven (7) of the unit's items, or~~
- ~~iii. \$20,000 in value~~

~~b) The department is, for any two consecutive years, unable to account for property equal to or more than:~~

- ~~i. 3% of the unit's inventory count or dollar value, or~~
- ~~ii. Five (5) of the unit's items~~
- ~~iii. \$15,000 in value~~

~~e) The department fails to complete the annual physical inventory and return a completed and signed Inventory Completion Certification Form to APSthe Controller's Office by the deadline established.~~

5. ~~Poor Inventory Management~~

Units with poor inventory management records will:

- ~~a) Receive written notification regarding their performance deficiencies~~
- ~~b) Develop an improvement plan~~
- ~~c) Schedule additional training~~

F. ~~Location or Department Code Change of Property~~

G. ~~LOCATION OR DEPARTMENT CODE CHANGE OF PROPERTY~~

When there is a location or departmental code change for capital assets, the transferring department's Property Manager should approve the [Capital Property Change Form](#).

1. For contract or grant-funded capital assets, SRA must approve any change to the asset's Department ID, Fund Code, or Project ID.
2. When the physical movement of property items is required, including when an entire office or unit is relocating to another area, [Building ServicesFacilities](#) may handle the move or hire an outside vendor. After completion of the relocation, the department is responsible for submitting a Capital Property Change Form indicating the new location of all capital property. [Building ServicesFacilities](#) should be contacted when property is to be temporarily moved for special events (set-ups).
3. Items weighing more than 1,000 pounds cannot be physically moved by the University (~~Surplus Property or Building Services~~). If a department desires the ~~immediate~~ movement of such an item ~~prior to its sale and pick-up by the buyer at its current location~~, the department ~~will be~~ responsible for ~~arranging for the~~ scheduling and payment of this move by a third party.

G. ~~Removal of Property From Campus Locations~~

H. ~~REMOVAL OF PROPERTY FROM CAMPUS LOCATIONS~~

~~University-owned Pp~~property may be removed from campus locations only if it is required by a contract or grant, or if the use of the property in the off-campus location will further the goals of the University. Campus locations are buildings and areas owned or leased by the University. The removal of capital assets from campus locations must be authorized via the [Equipment Use RequestOff-Site Capital Equipment Use Form \(Off-Set Form\)](#), prior to removal.

1. Capital assets removed for a period up to one year require the department Property Manager's written authorization utilizing the [Off-Site Equipment Use Request Form](#). ~~The Equipment Use Request Form associated with an item removed for a period up to one year will automatically expire on June 30 of the fiscal year in which the form was completed.~~
2. Capital assets removed for a period in excess of one year require the department Property Manager's and VP, Dean, or Director's written authorization utilizing the [Equipment Use RequestOff-Site](#) Form. ~~The Form associated with an item removed for a period in excess of one year~~

~~does not expire; however, a~~ arrangements must be made for the item to be inventoried in each fiscal year that the item is located off campus.

3. At the time the capital asset is checked out, the department must retain a copy of the ~~Equipment Use Request~~~~Off-Site~~ Form and submit a copy of the form to ~~the Controller's Office~~~~APS~~. Upon return of the capital asset, the department Property Custodian should complete the *Return Confirmation* and *Return Location* portions of the ~~Equipment Use Request~~~~Off-Site~~ Form and submit the revised form to ~~APSthe Controller's Office~~.

4. Property removed from FSU locations may be covered under the insurance policy for the off-site location (i.e. home-owners' insurance policy). If such coverage is not available, or if property will be removed for more than one year, the department's Property Manager is responsible for working with the Department of Risk Management and Insurance to ensure appropriate coverage.

H. Dispositions

~~I. DISPOSITIONS~~

Accountability of University property is delegated to the Property Manager of the unit to which the property is assigned. This responsibility includes ~~the determination of the most appropriate disposition method of the unit's property~~~~coordinating the physical disposal of property through Facilities~~.

Departments do not have the authority to dispose of capital property ~~, vehicles, or any device containing storage media (e.g. a hard drive)~~ without ~~first receiving appropriate~~ approvals ~~via of~~ the ~~Capital Property Accountability Release form~~~~Form~~ by the ~~Property Survey Board and/or APS~~~~the Controller's Office~~.

As described in Information Security Policy 4-OP-H-5, computer equipment and information media (e.g., hard drives, thumb drives) must be sanitized prior to reassignment (e.g., wipe and then re-image) and must be sanitized or destroyed before disposal. For this reason, the department Property Manager must either dispose of devices with media storage through Facilities or follow Information Technology Services guidelines for "wiping" hard drives prior to disposing of such equipment.

~~Removal of property from University control~~Release of accountability for University property may occur via the following:

1. Surplus/Recycle/Scrap

When University property (capital or expendable) becomes obsolete, uneconomical, inefficient, or no longer serves a useful function, ~~but is deemed by the department Property Manager to have residual value~~, the department's ~~Property Manager should request the property be classified as surplus~~ may coordinate the disposal of these items via a ~~Facilities work order~~. ~~For vehicles~~vehicles, the department is responsible for arranging the towing or delivery. ~~For capital items, a properly approved Capital Property Accountability Release Form should be attached to the work order~~. ~~For items that may be questionable in regards to having a residual value, please contact APS.~~

~~To classify property as surplus and initiate the transfer of property to the surplus warehouse, the department must submit an Accountability Release form. APS will review and approve the form, and release the department from accountability for the property once it has been received by Surplus. Property which is unsafe for further use should not be classified as surplus.~~

~~Surplus property that is not claimed for use by another FSU department, will be sold, donated or scrapped, as appropriate. All dispositions of University property by sale must be handled by APS.~~

Property that may contain, or has been exposed to, hazardous material should be cleared through the Department of Environmental Health and Safety prior to requesting ~~classification as surplus~~ disposal.

~~Devices that contain storage media such as PCs, laptops, mobile devices and copiers must be properly scrubbed by the transferring department prior to their release to Surplus. It is the responsibility of the department Property Manager to ensure these types of devices that are classified as surplus, salvaged, or otherwise disposed have had their media wiped. Visit the FSU Information Technology Services website to see Instructions for Data Cleansing Computers or contact APS for additional information~~

~~The department is responsible for arranging the towing or delivery of vehicles to the Surplus warehouse area.~~

~~All items submitted to Surplus Property are held for a period of at least five business days and made available to FSU departments at no cost before auctions are held. Furniture and non-IT-related equipment may be made available to FSU departments, at the discretion of FSU Surplus Property; however, After this period, items held for sale at auction are no longer available to departments.~~

2. Lost/Stolen, Destroyed

When University property (capital or expendable) is stolen, lost or destroyed, the FSU Police Department must be notified immediately. For capital property ~~and all vehicles~~, the department must also submit a Capital Property Accountability Release Form to APS the Controller's Office along with a copy of the police report. APS the Controller's Office will review each request and release the department from accountability where appropriate. If the capital property ~~/vehicle~~ is subsequently located, the department Property Custodian must submit a memo to APS the Controller's Office stating that the item has been located and requesting that its property tag be scanned or, if the department is in possession of a scanner, stating that ensure the item's property tag has been scanned. Once the item has been scanned, APS the Controller's Office will restore the asset to an active status in OMNI and remove it from a lost/stolen status.

3. Cannibalization

To cannibalize University capital property, ~~vehicles, or devices with media storage~~ and use the component parts for the repair of other property, the department Property Manager must request and receive permission, via the Capital Property Accountability Release Form, prior to cannibalization. Expendable property ~~that is not a vehicle and does not contain a hard drive~~ may be cannibalized with approval from the department Property Manager. After cannibalization, the unused parts should be treated as expendable property, ~~and, if they are deemed to have residual value, disposed of as surplus.~~

4. Scrapped

The department Property Manager is responsible for determining if property items have no value other than as scrap. Once this determination has been made for capital property, vehicles, or devices with media storage, the department must submit an Accountability Release Form to APS for approval. Expendable property that is not a vehicle and does not contain a hard drive may be approved for scrap by the department Property Manager. Once the determination has been made to recycle/dump a property item, the department should ensure the property decal and all other references to the FSU property identification number are removed or defaced and submit a work order to Facilities for the item's disposal.

45. Abandoned or Non-Recoverable Property

When capital University property, ~~vehicles, or devices with media storage~~ are abandoned or non-recoverable because the cost to retrieve the property is greater than the value of the property, the department must submit ~~an a~~ Capital Property Accountability Release Form to ~~APSthe~~ Controller's Office for approval. Expendable property ~~that is not a vehicle and does not contain a hard drive~~ may be deemed abandoned/non-recoverable with approval from the department Property Manager.

6. Transfer Out or Donation of Non-C&G Property

Transfer/donation of non-C&G University capital property, ~~vehicles, or devices with media storage~~ to other state agencies or political subdivisions or to approved, private nonprofit agencies must be processed via ~~a~~ Capital Property Accountability Release Form and approved by ~~APSthe~~ Controller's Office. Expendable property ~~that is not a vehicle and does not contain a hard drive~~ may be transferred/donated to appropriate entities with the approval of the department Property Manager.

Requirements for a non-profit organization to be approved include submitting to ~~APSthe~~ Controller's Office:

- a) cover letter of the agency,
- b) copy of 501c letter from the IRS, and
- c) copy of the Florida Exempt Sales Tax cover page

7. Contract or Grant Property

SRA must approve all dispositions and transfers of capital property acquired with, and still remaining on a sponsored project. SRA's approval ~~will~~ must be documented on the Capital Property Accountability Release Form.

8. U.S. Government Owned Property

When U.S. Government property becomes excess to the contract for which it was provided, it must be screened against the needs of other contracts before it is declared excess. If such need is disclosed, a request should be made to the contracting officer for authority to use or transfer the equipment. Additionally, if the department wishes to cannibalize government equipment, a request to cannibalize must be made to the Contracting Officer for approval. When a transfer of title has been affected, all U.S. Government identification must be removed and a University Property decal will be provided by ~~APSthe~~ Controller's Office and affixed to the equipment.

9. Transfer of Equipment Acquired with Contract or Grant Funds

Under certain conditions, equipment acquired with contract or grant funds may be transferred to institutions that are not a part of the State University System of Florida, agencies of the State of Florida, or Florida counties. The PI of the grant or contract may request equipment purchased with funds furnished under the grant or contract be transferred to the institution to which the Principal Investigator is transferring. The PI may also request transfer of other equipment utilized in the research that has been certified as surplus under surplus property procedures. The written request should include a list of the items to be transferred with the corresponding FSU Property Tag Numbers, the original acquisition date, cost, and funding source, the grant or contract number and any additional information/documentation that would help to evaluate the request. Factors to be considered in granting the request are:

- Whether the Principal Investigator continuing the same research project at the new institution
- Whether the transfer negatively affects other research of the department and/or the functions of the remaining faculty.
 - The written request should be attached to a completed [Capital Property](#) Accountability Release Form and submitted to the Department Chairman and the Dean of the College for approval. The Accountability Release Form and written request, including required signatures, [will then be reviewed and approved by SRA and the Controller's Office before is then routed to SRA to ensure the transfer is in compliance with the terms and conditions of the contract or grant. SRA will forward the request to APSthe Controller's Office for final approval, who will send the transfer request approval or denial is returned back](#) to the Principal Investigator.

Physical transfer of the equipment cannot occur until all required signatures and final approval have been obtained. Proof of receipt and acceptance by the receiving institution is required upon transfer.

10. Traded-In / Exchanged

When University property (capital or expendable) is traded-in or exchanged for the acquisition of new property, the following information should be included on the Purchase Requisition:

- ~~•~~ Description of property traded
- A statement of condition
- Details on the Trade-in allowance
- FSU property decal number(s)
- Serial number(s)
- Model number(s)
- Age of the property
- Location of the property
- ~~•~~ If the transaction is approved by FSU Procurement Services and involves the trade-in of capital property ~~or a vehicle~~, a copy of the Purchase Order and a signed [Capital Property](#) Accountability Release Form should be sent to ~~APSthe~~ [Controller's Office](#). The department

should ensure that the property decal and all other references to FSU Property are removed or destroyed at the time the property is released to the vendor. If the trade-in is not properly documented on the Purchase Order and sufficient documentation cannot be obtained to support the trade-in, the item will be treated as lost or unaccounted for in the department's annual inventory.

I. Capitalization of Assets

J. CAPITALIZATION OF ASSETS

~~University capital assets consist of land, buildings, infrastructure and other improvements, furniture and equipment, library resources, works of art and historical treasures, construction in progress, and other capital assets. These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair value at the date received in the case of gifts and purchases of State surplus property.~~

~~Additions, improvements, and other outlays in excess of \$5,000 that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of \$5,000 for all tangible personal property, \$250 for library resources, \$100,000 for buildings and other improvements and \$1,000,000 for internally generated intangible assets.~~

~~Depreciation/Amortization is computed on the straight-line basis over the following estimated useful lives of the following asset:~~

- ~~• — Buildings, Infrastructure and Other Improvements — 10 to 50 years~~
- ~~• — Infrastructure and Other Improvements — 12 to 50 years~~
- ~~• — Furniture and Equipment — 3 to 20 years~~
- ~~• — Software — 5 to 10 years~~
 - ~~• Library Resources — 10 years~~

~~IJ. Appendix: Government-Owned Property~~ K. APPENDIX: GOVERNMENT-OWNED PROPERTY

The following guidance outlines the responsibilities and procedures for acquisition, control, use, care, maintenance, disposition, and reporting of government-owned property.

Government-owned Property Definition

“Government-owned property” is all property where title is retained by the federal government. Government-owned property includes government-furnished property (GFP) and government-titled equipment (GTE):

Government–furnished Property (GFP) Definition

“Government-furnished property” means property in the possession of, or directly acquired by, the government and subsequently furnished to the contractor for performance of a contract. Government-furnished property includes material, special tooling, special test equipment, and real property. Title to government-furnished property always vests in the federal awarding agency any may be recalled at the agency’s discretion.

Government-titled Equipment (GTE) Definition

“Government-titled equipment” means property purchased, or fabricated with federal funds to which the government retains title. Contractor approval by the Contracting Officer is required prior to purchase of GTE. The acquisition (or fabrication) of GTE is further subject to the terms of the funding contract. GTE may also be referred to as contractor-acquired property.

Reports

Federal Acquisition Regulation (FAR) Subpart 45.505-14 and OMB Circular A-110 Subpart C.33 require contractor and grantees to submit annual inventory reports of government property held under Department of Defense (DoD) and National Aeronautics and Space Administration (NASA) agreements. The reports for DoD and NASA contracts or grants in effect as of September 30 are due no later than October 31 of the same year. Other equipment reports may be mandated by agency or grant/contract terms.

Management of GFP

The University’s policies, procedures, practices and systems must be compliant with contractual requirements in accordance with FAR 52.245-1(f).

A. Acquisition of Property

Acquisition is the process of acquiring Government property through either requisition or transfer from Government sources.

B. Receipt of Government Property

Receipt is the process of government-owned property entering into FSU’s custody. The PI is responsible for the recording of information necessary to meet the record requirements of paragraph (f)(1)(iii)(A)(1) through (5) of the clause at 52.245-1, the identification of property as government-owned in a manner appropriate to the type of property (e.g., tag or sticker); and the management of any discrepancies incident to shipment.

C. Records of Government Property

To enable a complete, current, auditable record of government-owned property, the PI must work with [APSthe Controller’s Office](#) to ensure the following data elements are recorded in the OMNI Asset Management records:

1. Description of the equipment
2. Manufacturer’s serial number, model number, federal stock number, national stock number, or other identification number(s)
3. Source of the equipment, including the award number and the award end date
4. Clear acknowledgement that ownership and title rests with the federal government
5. Date property was received from the federal government (i.e. acquisition date)

6. Location and condition and the date the information was reported
7. Unit acquisition cost, quantity received (or fabricated) and unit of measure as provided on the shipping documents
8. Ultimate disposition data, including date of disposal, method of disposal, sales price or method used to determine current fair market value (if FSU compensates the federal awarding agency for its share).

Current records of equipment location must be maintained in such a manner that any item of equipment can be located within a reasonable amount of time. The PI must notify [APSthe Controller's Office](#) of any changes, permanent or temporary, in location. The PI must assure that an adequate system exists within the department to track and document any temporary movement of government-owned property.

D. Physical Inventories

Government-owned property must be physically located and reconciled to equipment records throughout the term of the contract. A final physical inventory must be performed upon contract completion or termination.

E. Subcontractor Control

FSU must advise subcontractors of their responsibility to comply with FSU's equipment management policies and procedures where applicable, unless the subcontractors have approved systems of their own. Subcontractors should report to the PI all instances of loss, damage, or destructions of government equipment in the subcontractor's possession or control, which is accountable under a grant or contract.

F. Relief of Stewardship

When government-owned property is expended in the performance of the contract, the federal agency may grant relief of responsibility. FSU must follow the proper process for relief of accountability as determined by the appropriate federal agency.

G. Utilization of Government Property

Government-owned property must be used for the purpose for which furnished or acquired.

H. Maintenance of Government Property

The PI is responsible for ensuring the amount of care necessary to obtain the most useful service life of government-owned property is provided. Each department's equipment maintenance program should enable the identification, disclosure, and performance of normal and routine preventative maintenance and repair.

I. Contract Property Closeout

FSU must promptly perform and report to the appropriate federal agency upon contract property closeout and include a physical inventory of government-owned property.

III. LEGAL SUPPORT, JUSTIFICATION, AND REVIEW OF THIS POLICY

This policy shall be reviewed by the Associate VP for Finance & Administration (AVP) every seven years for its effectiveness. The AVP shall make recommendations to the Vice President for Finance & Administration for any modification or elimination.

SPECIFIC AUTHORITIES:

[BOG Regulation 9.001 – Definitions](#)

[BOG Regulation 9.002 – Recording and Marking of Property](#)

[BOG Regulation 9.003 – Property Inventory](#)

[BOG Regulation 9.0031 – Disposition of Property](#)

[Florida Statutes, Chapter 273 – State-owned Tangible Personal Property](#)

[Office of Management and Budget Guidance for Grants and Agreements, Chapter II, Part 200 \(Uniform Guidance\), Subpart D, Property Standards](#)

[Circular A-110 Subpart C – Property Standards related to Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200 \(Uniform Guidance\)](#)
[Federal Acquisition Regulations, parts 45 and](#)

[Federal Acquisition Regulations, part 52.245](#)

[Florida State University Policy 4-OP-H-5 – Information Security Policy](#)