Office of the Controller Policy 9 Fixed Assets
The University of North Carolina at Greensboro
Approved by Paul Forte, Interim AVC for Finance, August 4, 2021
Revised August 4, 2021

1. Purpose
This policy outlines requirements

2. Scope
This policy applies to all University departments, units, and divisions.

3. Definitions and Roles and Responsibilities

3.1 Definitions
A fixed asset is property, such as land, land improvements, easements, buildings, equipment, works of art and historical treasures, and infrastructure, with a cost equal to or greater than $5,000 and a useful life of two or more years.

3.1 Roles and Responsibilities

Fixed Assets Department – responsible for (1) maintaining the university’s capital equipment inventory, (2) maintaining the detail information on individual assets for supporting the buildings reported on the university’s financial statements, and (3) recording capital asset changes and depreciation on the university’s general ledger.

Procurement Services (Assisting Role) – responsible for making sure that all university purchases of goods and services are made in accordance with state regulations.

Receiving Office (Assisting Role) – responsible for receiving and notifying the Fixed Assets Group of new equipment entering the university.

Departmental Custodians / Designees (Assisting Role) – responsible for working with the Fixed Assets Group to maintain an accurate inventory record as well as safeguarding all assets assigned to the department.

Internal Audit (Monitoring Function) – reviews and evaluates internal controls within departments to aid in the effective and efficient performance of university operations.

Facilities Office (Assisting Role) - responsible for maintaining and reporting the condition of buildings and updating the facilities management database.

4. Policy
The accountability, proper care, maintenance, and security to prevent misuse or loss for all UNCG personal property is delegated to vice chancellors, deans and department heads, depending on their division or area of responsibility.
The University’s Fixed Assets Section has procedures in place to ensure compliance with the North Carolina Office of the State Auditor, North Carolina Office of the State Controller, University of North Carolina Finance Improvement and Transformation Project Capital Assets Standards, Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GAAP), federal and state laws, and private granting agencies regulations. Refer to Controller’s Office Procedure 9 Fixed Assets for specific instructions.

UNCG capitalizes fixed asset purchases of vehicles, machinery, furniture, equipment, works of art and historical treasures, and all other tangible assets used in operations with a cost of $5,000 or greater and a useful life of two years or more; otherwise, the expenditure is recorded as an operating expense in the fiscal year incurred. Capitalized equipment is barcode tagged and physically inventoried annually.

Non-numbered tags are available to departments for identifying equipment not recorded on the Fixed Assets System. Departments are encouraged to maintain an in-house inventory of all equipment items purchased (particularly, equipment which may be sensitive to theft or misappropriation or that is insured), regardless of whether the item is recorded on the Fixed Assets System. Department heads appoint a permanent employee as designee to assist with the daily care of property within individual departments and to assist with the annual physical inventory process.

Purchases of land, improvements to land, buildings, building improvements, easements, infrastructure, and intangible assets are capitalized within the guidelines of the Office of the State Controller.

The sale of UNCG fixed assets is not permitted by individuals or departments. In addition, UNCG equipment cannot be donated, thrown away or discarded. All UNCG fixed assets should be disposed of through the Warehouse Services and Surplus Property office. Departments may contact the Warehouse Services and Surplus Property at 336-334-5927 with questions regarding disposal of an asset.

UNCG elected to use the straight-line method of depreciation with the half-year convention and assumed the salvage value of zero. Land, certain land improvements, construction-in-progress, and inexhaustible works of art, historical treasures and similar assets are not depreciated.

Transfer of Fixed Assets to the University with Researcher
Equipment that accompanies a researcher (grant) for use at the University of North Carolina Greensboro must be promptly reported to the Fixed Assets staff for addition to the Banner Fixed Assets System if appropriate. Documentation that the researcher’s former institution transferred title to the equipment must be provided, along with attributes (asset description, serial number, original acquisition date, cost, net book value, date placed in service at UNCG) required for entry into the Banner Fixed Assets System. The successor University unit to which the researcher subsequently is assigned must inform the researcher before acceptance of the equipment; unless the research
sponsor has mandated otherwise, the equipment becomes property of the University of North Carolina Greensboro upon transfer.

**Physical Inventory of Fixed Assets**
The Fixed Assets staff will conduct a physical inventory of capitalized items (equipment/vehicles) annually in accordance with the Capital Asset Standards to meet minimum thresholds. See [Procedure 9 Fixed Assets](#) for details.

**Fixed Assets Owned by UNCG Cannot be Donated**
No items may be donated to outside agencies per General Statute ([GS 143.64.01 Title 3a](#)) and North Carolina Administrative Code ([01 NCAC 43A](#)). State Property cannot be donated by anyone other than the Governor, and he can only do so in the event of a declared disaster. UNCG, State Surplus and the Department of Administration do not have the authority to donate property. The disposition of property by any other method is done only with the authority of State Surplus as referenced at [UNCG Warehouse](#).

**Disposal of Fixed Assets**
University equipment cannot be thrown away or discarded, regardless of condition. For instructions on disposing of fixed assets, see [Procedure 9 Fixed Assets](#).

The sale of fixed assets is not permitted by individuals or departments. Departments should contact Warehouse Services and Surplus Property personnel at 336-334-5927 with questions about disposing of an asset.

**Destroyed Assets**
When an asset is considered to have no useful value to any department at the University because it was destroyed by fire, water, etc., the department must submit an [eDisposal Form](#) with supporting documentation attached and marked for pick up if appropriate. See [Procedure 9 Fixed Assets](#), for further information.

**Junked Assets**
When an asset is considered to have no useful value to any department at the University, it may be retained by the department for parts (cannibalism). However, the department must submit an [eDisposal Form](#) with supporting documentation attached and marked for pick up if appropriate. See [Procedure 9 Fixed Assets](#), for further information.

**Lost Assets**
When an asset is lost (not stolen) the department must submit an [eDisposal Form](#) with supporting documentation attached. See [Procedure 9 Fixed Assets](#), for further information.

**Stolen Assets**
According to [General Statute 143B-920](#) if any state property has been stolen, the employee discovering the suspected theft must report the theft to his/her supervisor within 24 hours. The supervisor must notify the head of the department within the next 24 hours. The department head should notify the University Police at the University of North Carolina at Greensboro or municipal police department if off campus, within the
following 24 hours. The University Police should be notified as soon as possible, but no later than three days from the day of discovery.

The department must submit an eDisposal Form and attach a copy of the University Police or municipal report pertaining to the theft and containing the asset description, serial number, and/or barcode number. See Procedure 9 Fixed Assets, for further information.

**Surplused Assets**
When an asset is considered to have no useful value to any department at the University, it may be surplused by the department. The asset may or may not have value to someone other than the University. The department must submit an eDisposal Form to surplus a capitalized asset. See Procedure 9 Fixed Assets, for further information.

**Traded Assets**
A replacement asset may be acquired when an existing asset is traded to the vendor as partial payment on the new item. The Procurement Services must approve the item being traded after gaining permission from State Surplus. See Procurement Policy 12 Special Considerations Related to Equipment. Trade in with Purchase for instructions. The department must submit an eDisposal Form for trade-ins when the physical custody of the asset changes to the vendor. See Procedure 9 Fixed Assets, for further information.

**Negotiated Sale of Fixed Assets / Cost Applied Transfers**
All potential Negotiated Sale of Assets / Cost Applied Transfers to any University must go through the Finance Manager and the Controller of the University. The NCDOA State Surplus Office must approve all Negotiated Sales.

**Transfer Out of Fixed Assets to Another University or Agency**
Transferred to another university or agency capitalized assets with proper documentation will be recorded as disposed of on the Fixed Assets System. See Procedure 9 Fixed Assets, for further information.

**Transfer of Fixed Assets to Another Department on Campus**
When a department has equipment it no longer needs, but another department within the University may make use of the equipment, the department can transfer it to the other department by filling in a Form FA-14 Equipment Transfer Form. See Procedure 9 Fixed Assets, for further information.

**Fixed Asset Items Located Off-Campus**

**FA-16 Agreement for Equipment Located Off-Campus**
Under no circumstances should anyone take an asset off campus before it has been barcoded. The department can request an asset be bar coded immediately by calling 334-5938. Removal of university equipment for off-campus use without department head approval may result in the individual being prosecuted for misappropriation of state property and/or larceny. See Procedure 9 Fixed Assets, for further information.
**Returned/Exchanged Assets**

If the department returns an asset to the vendor which has been bar coded, the department should contact the Finance Manager at 334-5804 and provide a copy of the credit memo or check received from the vendor.

If the department exchanges an asset that has been barcoded, for a replacement asset, the department should provide Fixed Assets with documentation of the Returned Merchandise Authorization (RMA). See Procedure 9 Fixed Assets, for further information.

**Moving Assets**

When informed by Space Management of a department moving to a new location, Fixed Assets will send the Department Head and designee a listing of assets recorded for the department in the original building along with a reminder to complete an eDisposal Form for any assets disposed of. See Procedure 9 Fixed Assets, for further information.

5. **Compliance and Enforcement**

The University Controller is responsible for ensuring compliance with this policy.

6. **Additional Information**

6.1 **Supporting Documents**

- Capital Asset Standards
- eDisposal Form
- FA-14 Equipment Transfer Form
- FA-16 Agreement for Equipment Located Off-Campus
- Governmental Accounting Standards Board
- North Carolina Office of the State Auditor
- North Carolina Office of the State Controller
- Procurement Services Policy 12 Special Considerations Related to Equipment

6.2 **Approval Authority**

This policy will be approved by the Interim Associate Vice Chancellor for Finance.

6.3 **Contacts for Additional Information and Reporting**

- Responsible Executive: Heather Snelling, Finance Manager / Fixed Assets Supervisor, (336)334-5804, hrsnelli@uncg.edu
- Responsible Administrator: Laura Williams, Fixed Assets Auditor, (336)334-5938, llwilliams@uncg.edu