The Office of the Comptroller

Capital Asset Management

April 25, 2013

Presentation’s Link
http://financeoffice.gwu.edu/comptroller/fixed%20assets/fa_train.html
Capital Asset Management

**Agenda**

- Fixed Assets Group
  - Who we are/What we do
- Operating Departments Responsibility
- Goals of this Presentation
- Fixed Asset Policies
  - Who is required to know
  - Fixed Asset Management Policies
  - Surplus University Property
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Fixed Asset Group
Who we are/What we do

- The Fixed Asset Group provides direct administrative support to the operating departments regarding the control and maintenance of Capital Assets
  - Review for proper coding of asset purchases
  - Tagging assets
  - Record keeping - FAS
  - Ledger reconciliations
  - Conduct physical inventories annually
  - Record and report on all acquisitions, gifts and loans transfers, sales or other dispositions of Fixed Assets
Fixed Asset Group
Who we are/What we do

• Responsible for validating the existence, location, and condition of each Capital Asset
• Reconcile GL and FAS to the inventory observed
• Generate and maintain property management records for Fixed Assets which contain information that is needed to control, protect, preserve and maintain all Government property

- All Capital Asset records are maintained in accordance with GAAP and OMB Circular A-110.
Operating Departments Responsibility

- Responsible for coding invoices to the correct account

- Responsible for maintaining the asset in working condition

- Responsible for maintaining an accurate location listing for all their assets

- Responsible for letting us know when you move or dispose of an asset
Goals of the Fixed Asset Group/GW

- Work collaboratively with other Departments
- Reduce the number of DCFs and Increase Productivity
- More accurate records in tagging and inventory
- Protect University’s Assets
- Continue Paperless Initiative
- Promote GW Values such as Teamwork, and Communication
Fixed Asset Policies

- Who is required to know:

  Everyone who has the responsibility for, or involved with the decision making for, purchasing, maintaining or disposing of Fixed Assets.

  - Faculty and staff
  - Chairs
  - Departmental Administrators
  - Principal Investigators
  - Central Administrative Offices:
    - Procurement Department
    - Comptroller’s Office
    - Office of the Vice President for Research (OVPR)
Fixed Asset Management
GWU Policies

- The Fixed Asset Management Policy

**Definition of a Fixed Asset:**
Any property, furniture, equipment, and software that equals or exceeds a unit cost or gift value of $2,500 and has a useful life of more than one year.
The Fixed Asset Management Policy

All Fixed Assets MUST be:

• Purchased through the Procurement Department or IBuy system. (It can not be purchased using a P-Card even if it is within the P-Card dollar threshold).

• Purchased using a purchase order and recorded in EAS.

• Fixed Asset Group generates and maintains property management records for all Fixed Assets in compliance with OMB Circular A-110 and the FAR, Part 45.
The Fixed Asset Management Policy

- Fixed Asset personnel conduct annual physical inventories in order to validate the accuracy of the University’s accounting records. Any unresolved differences are reported to the school or division Finance Director for resolution. A final asset report is authorized by the Finance Director at the completion of the physical inventory.

- When equipment for a federally-sponsored project is no longer needed for that project, Fixed Asset personnel work with the PI, OVPR, and other personnel to identify and receive approval for proper disposal of the equipment in accordance with the OMB Circular A-110 and the FAR Part 45.
Capital Asset Management GWU Policies

- Furniture and Equipment capitalization threshold
  
  • A capital asset is defined as an article or a system that is non-expendable, tangible property with a useful life of more than one year and it has a per-unit value of $2,500.

  • It is used in the operations of the University (i.e., the item is not purchased as an investment or held for resale)
Capital Asset Management GWU Policies

- Cost of an asset includes:
  - The cost of the item and all costs necessary to make the asset available for use such as:
    - ✔ Shipping
    - ✔ Handling
    - ✔ Freight
    - ✔ Delivery
    - ✔ Installation / Labor
Additional Costs and Software

- **Warranty**
  <One Year Warranty= Not Capitalized
  >One Year Warranty= Capitalized (*At time of purchase)

- **Support/Maintenance**
  - Not capitalized
    Support Charges go to 55322 account ideally

- **Software**
  - Capitalized if more than one year License and Amount > $2,500
  - Not capitalized if license is for one year or less even if dollar threshold is equal to or larger than $2,500
Subsequent purchase of additional components that provide new functionality or extend the useful life of the asset should be added to the cost of the asset:

Examples:
- Camera Parts
- Microscope Parts
- Audio System
Fixed Asset Management
GWU Policies

- **Surplus property** is property that
  - Wears out
  - Becomes obsolete
  - Is no longer needed in operations
How is surplus property handled?

The following types of dispositions of surplus property must be handled by Materials Management.

- Sale of surplus property with a per unit value greater than $500
- Sale of surplus property that has a registered title (e.g. automobiles)
- Donations of surplus property
Fixed Asset Management
GWU Policies

- Surplus Property Policy (Continued)

  - Department Heads may dispose directly of surplus property that does not meet the requirements set forth above provided that the following requirements are met:
    - Transfers to other GW departments are reported to the Office of the Comptroller (Change in Fixed Asset Status Form)
    - Property may be sold to third parties, including employees for personal use, provided the fair market value of the property does not exceed $500.00. Sales must be made at fair market value.
    - [Release and Waiver Form](#), [Bill of Sale Form](#), and [Change in Fixed Asset Status Form](#) are approved by the appropriate department manager. Completed forms must be sent to Materials Management with a copy to Fixed Assets.
Fixed Asset Management
GWU Policies

- Surplus Property Policy (Continued)

  - Property Acquired through Sponsored Projects
    - Prior to disposing of surplus property purchased with sponsored project funds the department head first must secure approval for the proposed disposition by completing the Change in Fixed Asset Status Form and submitting it to the Office of Vice President for Research (OVPR).

  - Find our forms
    - [http://financeoffice.gwu.edu/comptroller/fixed%20assets/fa_forms.html](http://financeoffice.gwu.edu/comptroller/fixed%20assets/fa_forms.html)
Special Dispositions Rules Reminder

- Special rules apply to assets under sponsored project funding. Please check the provisions of your award and with OVPR.

- If an asset is sold or donated
  - Material Management and Fixed Assets should be contacted to provide estimated market value and the current Net Book Value.
  - If the value is under $500, the department can handle the sale directly.
  - If the value is over $500, the Materials Management department is required to handle the sale.
  - Required Paperwork: Change in Fixed Asset Status form, Release of Waiver form, and Bill of Sale.
Movement of Assets

- The inventory process can only be successful if the database used to track assets is accurate.

- The responsibility of maintaining the database’s accuracy falls on the Fixed Asset Group.

- The Fixed Asset Group relies on the individual schools, departments and asset custodians to communicate any changes to the asset’s location or usefulness.
Disposal - Internal Transfers

- **Internal Transfers**
  - Operating department completes a [Change in Fixed Asset Status Form](#)
    - Approved by the department head
    - Forwarded to the Fixed Asset Group in the Comptroller’s Office
  - Asset is transferred to the receiving department
  - Fixed Asset Group contacts the receiving department to confirm receipt and may ask to schedule time to visually inspect the asset in its new location
  - Departments should keep a copy of all documents
Links to Fixed Asset Management GWU Policies

- Where can they be found?
  - [http://my.gwu.edu/mod/upolicy/index.cfm](http://my.gwu.edu/mod/upolicy/index.cfm)
    Under the Policies tab, Finance, Accounting and Budgeting, Fixed Assets Management

- What are the Fixed Asset Management policies?
  - [Fixed Asset Management Policy](http://financeoffice.gwu.edu/comptroller/fa_train.html)

- Location
  - [http://financeoffice.gwu.edu/comptroller/fa_train.html](http://financeoffice.gwu.edu/comptroller/fa_train.html)
Who to Call in Fixed Assets

- David Helman, Supervisory Accountant, 703-726-4113 dhelman@gwu.edu
- Israel Uwakolam, Senior Accountant, 703-726-4124 iuwakola@gwu.edu, FAS reporting
- Stefani B. Barbosa-Gamboa, Accountant, 703-726-4243 sbgamboa@gwu.edu
- Patrick Gerhold, Property Control Specialist, 703-726-4195 pgerhold@gwu.edu, new asset tagging, inventory, transfers, disposals
- Jeff Jones, Senior Accountant, 703-726-4212 jonesjd@gwu.edu, construction projects, land and building

For all other questions
- Cassandra West, Assistant Director Financial Accounting Operations, 703-726-4054, cwest@gwu.edu
Questions ???
OMB Circular A-110
(For Grants Only)

- Description of the asset
- Manufacturer’s Serial No.
- Model Number
- Award Number - PTA
- Title Vesting Information
- Acquisition Date
- Location of the asset
- Condition of the asset
- Unit cost
- Disposition information
- Federally owned equipment shall be identified as such

- Annual Physical inventory
- Controls to adequately safeguard asset from loss, damage or theft
- Adequate maintenance procedures should be in place to keep equipment in good condition
- Highest possible sale procedures