
SUBJECT: CAPITAL ASSETS

1.0 PURPOSE

- 1.1. Ensure that Snow College's Capital Assets are acquired, safe guarded, controlled, disposed of, and accounted for in accordance with state and federal regulations, and generally accepted accounting principles.

2.0 DEFINITIONS

- 2.1. Acquisition Cost – Value of an asset at the time it is acquired. This includes the invoice price, or if donated, the Fair Market Value. Added to value are costs incurred to place the asset into service (i.e. freight, installation, etc.).
- 2.2. Annual Inventory – A physical verification of Capital Assets conducted by the department each year.
- 2.3. Asset Custodian – College employee designated responsible and accountable for Capital Asset control and maintenance. Custodians are designated at the time of requisition (typically the requestor) unless another employee is deemed better fit with custody.
- 2.4. Asset Tag – Asset identification tag assigned and affixed to an asset to assist in its identification and in the Annual Inventory process.
- 2.5. Building – Facility intended for the permanent or temporary shelter of persons, animals, plants or equipment of the College that meet the criteria established in Regents Policy R561.
- 2.6. Building Improvement – Additions and/or improvements to Buildings that are permanently attached, add value to the Building and meet the criteria established by the Regents policy R561.
- 2.7. Capital Asset – Tangible, permanent property owned by the College with an Acquisition Cost greater than or equal to the thresholds set by Regents policy R561, and with a Useful Life of more than one year. Capital Assets are held for purposes other than investment or resale and fall into one of the following categories:
 - 2.7.1. Buildings
 - 2.7.2. Building Improvements
 - 2.7.3. Fixed/Capital Equipment
 - 2.7.4. Construction in Progress
 - 2.7.5. Infrastructure
 - 2.7.6. Land
 - 2.7.7. Land Improvements
 - 2.7.8. Library Materials
 - 2.7.9. Works of Art
- 2.8. Construction in Progress- Buildings, Land Improvements or Capital Equipment in the process of being built, but not yet complete.
- 2.9. Disposition/Disposal – An external sale or other means that permanently removes an item from custody of the College (e.g. public surplus).

- 2.10. Fixed/Capital Equipment – Items owned by the College with an Acquisition Cost greater than or equal to the value set by Regents policy R561, and with an expected Useful Life greater than one year. Fixed/Capital Equipment items shall have their own identity and are not permanently attached to any Building.
- 2.11. Gift-in-Kind – Donation to the College of a tangible or intangible asset other than cash or securities. Can be something consumable, such as office equipment or supplies; or something with a longer duration such as Land, equipment, books, artwork, or copyright interests.
- 2.12. Infrastructure – New modification to an outside area, other than repairs, (i.e., sidewalks, parking lots, utility lines, fences, etc.) that meet the criteria established by Regents policy R561.
- 2.13. Land – Solid part of the earth's surface, whether improved or unimproved. Land does not include the cost of assets constructed on the property.
- 2.14. Land Improvements – Constructed improvements to Land which meet the criteria established by Regents Policy R561.
- 2.15. Leased Asset – A Capital Asset that is the property of a third party which is being used by the College as specified by a contract.
- 2.16. Lease Contract – A contract that conveys control of the right to use another entity's nonfinancial asset for a period of time greater than 12 months.
- 2.17. Library Materials – Books, journals, bound periodicals, microfilms, and maps purchased for and catalogued in libraries in the College Library System.
- 2.18. Market Value – Cost to acquire an item in its current condition through an arm's length transaction. Also referred to as "Fair Market Value".
- 2.19. Personally Identifiable Information (PII) – Any data, electronic or physical copy, of which the compromise with respect to confidentiality, integrity, and/or availability could have a material adverse effect on Snow College interests, the conduct of College programs or the privacy to which individuals are entitled. Examples of such data would include data protected by the Government Records Access and Management Act (GRAMA), Family Education Rights and Privacy Act (FERPA), Gramm-Leach-Bliley Act (GLBA) or other laws governing the use of data or data that has been deemed by the College as requiring protective measures. Included in this class of information are credit card and social security numbers.
- 2.20. Snow College Campus Service Surplus Property Sales – Sole source deposition service to be used by all College departments for the Disposal of unused property.
- 2.21. Surplus Equipment – Item that is no longer needed or required, and is turned over for Disposition.
- 2.22. Useful Life – Period over which a Capital Asset has use to the College in performing the function for which it was purchased or donated.
- 2.23. Works of Art – Art pieces acquired by the College through purchase or donation that meet the threshold set by the Regent's policy R561. The item

must meet the threshold individually (not as a collection) in order to be considered a Capital Asset. A Work of Art may be classified as inexhaustible and if so, is not depreciated.

3.0 POLICY

3.1. Works of Art and Fixed/Capital Equipment

3.1.1. Fixed/Capital Equipment and Works of Art assets will be inventoried annually, and completed in conjunction with the Controller's office. The purpose of an Annual Inventory is to verify the physical existence, location, and condition of Fixed/Capital Equipment and Works of Art and to ensure the accuracy of College accounting records.

3.1.2. Asset Custodians must provide the following information to the Controller's Office at the time of purchase of Fixed/Capital Equipment or a Work of Art: general description, Building and room location, serial number (if applicable), Acquisition Cost (or value if donated), vendor, and funding source (cost code).

3.1.3. Asset Tags shall be affixed to all new, moveable Fixed/Capital Equipment and Works of Art, unless an Asset Tag is impractical as stated herein.

3.1.3.1. Items such as Works of Art, sensitive technical equipment, or other items where tagging is impractical or affects the item's function, value, or the ability to return it under warranty, need not be tagged. The Controller's Office and department(s) that purchased the asset will make note of all such untagged Capital Assets. Untagged Capital Assets must still be accounted for in the Annual Inventory procedures.

3.2. Buildings, Building Improvements, Construction in Progress, Infrastructure, Land and Land Improvements

3.2.1. The Controller's Office shall track these Capital Assets.

3.2.1.1. Fixed/Capital Equipment and Works of Art that are not permanent fixtures of a building, but purchased or donated for a building will be tracked and tagged separately from the Building asset (See section 3.1).

3.3. Software

3.3.1. Software is not considered a Capital Asset and is not subject to the requirements of this policy.

3.4. Library Materials

- 3.4.1. Due to the nature of library collections consisting of large number of items with modest values, Library Materials will be reported on a composite basis. The Director of Libraries is responsible for providing a report to the Controller's Office at fiscal year-end which contains the dollar value of Library Material additions and deletions by category, for the fiscal year.
 - 3.4.1.1. Library Material categories are determined by the Controller's Office and Director of Libraries.
 - 3.4.1.2. An inventory of high value library items may be required periodically.
- 3.5. Gifts-in-Kind
 - 3.5.1. The Advancement Office will notify the Controller's office of any Gift-in-kind received within 30 days of the receipt of the gift.
 - 3.5.2. Gifts-in-kind that are considered Capital Assets in nature will be categorized into the proper Capital Asset category by the Controller's Office. The treatment of those assets will be in line with the appropriate section of this policy.
 - 3.5.3. In accordance with the IRS, gifts valued at \$5,000 or more that are disposed of within three years of the date of the gift must be reported on IRS Form 8282. The Advancement Office will ensure compliance with these reporting requirements based on information received from the departments affected.
- 3.6. Leased Assets
 - 3.6.1. The department entering into a Lease Contract will notify the Controller's office of the lease within 30 days of the executed Lease Contract. Lease Contracts must go through proper purchasing procedures and all leases should go through the Procurement Office.
 - 3.6.2. Asset Custodians of the Leased Asset must provide the following information to the Controller's Office at the time the contract is signed for the Leased Asset: general description, building and room location, serial number (if applicable), Acquisition Cost, vendor, funding source (cost code) and a copy of the executed contract.
 - 3.6.3. Leased Assets that are considered Capital Assets in nature will be categorized into the proper Capital Asset category by the Controller's office. The treatment of those assets will be in line with the appropriate section of this policy.
- 3.7. Personal Use
 - 3.7.1. College Capital Assets shall not be used for personal use.

3.8. Disposal & Relocation

3.8.1. The equipment Disposal or relocation form shall be submitted to the Controller's Office by the Asset Custodian prior to the Disposal of Surplus Equipment. The Asset Custodian is responsible for the Surplus Equipment and for submitting the Disposal Form to the Controller's Office.

3.8.1.1. The Disposal of any Capital Assets purchased with grant funds will need to be coordinated with the Grants Financial Compliance Officer, to verify ownership and to determine any further grant reporting requirements prior to Disposition. See Surplus of Restricted Equipment Form.

3.8.1.2. Asset Custodians must use Snow College Campus Service Surplus Property Sales for the Disposal of unused Capital Assets. All Capital Assets containing Personally Identifiable Information (PII) shall be disposed of with coordination of the IT department.

3.8.1.3. Disposals shall be approved by the Department Chair for faculty employees or by the supervisor for staff employees.

3.8.1.4. Upon final Disposition of tagged Capital Assets, including those that are government owned, the Asset Custodian should remove Asset Tag(s) before disposing of the asset. Removed Asset Tags shall be attached to the Disposal form.

3.8.2. Relocation/Inter-Department Transfers – One department may transfer a Capital Asset to another. The Equipment Disposal or Relocation Form must be used for these transfers. The Asset Custodian should generate and approve this request and submit the Relocation Form to the Controller's Office.

3.9. Accounting Records

3.9.1. Valuation, acquisition, depreciation and Disposition of College property and equipment must be accounted for in accordance with all applicable accounting regulations including Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards Board (GASB) Standards.

3.10. Insurance

3.10.1. Insurance for College property is acquired and managed under the direction of the College's Office of Risk Management.