Capital Assets…Start to Finish

Business & Financial Services
Property Management
Professional Development Institute 2014

Colorado State University
AGENDA

What is Property Management & Why Should You Care?

Responsibilities & Roles

Acquisition

Tracking

Disposition
PROPERTY MANAGEMENT OVERVIEW

• Record and track capital assets
• Calculate depreciation
• Issue reports to management and sponsors
• Manage the physical inventory of capital and sponsor-owned assets
• Liaison with property auditors
• Provide guidance to departments, faculty, and staff regarding issues related to property administration and inventory
DID YOU KNOW?

- Colorado State University is accountable for
  - Over 10,000 active capital equipment assets for a total value of over $300M
    - Federal – 50 and Sponsor – 171
- Campus scope
  - 40 divisions/agencies
  - 187 departments
- F&A Rate
POTENTIAL PROPERTY AUDIT ISSUES

• Items not tagged or permanently marked with a CSU inventory number
• Incorrect location recorded in the Property Management Asset System
• Incorrect description recorded in the Property Management Asset System
• Employees not trained to fulfill their inventory responsibilities
CAPITAL ASSETS

• Capital Items
  – Equipment that has an acquisition cost of $5,000 or more and has a useful life of more than one year is capital.
CONTROLLED ASSETS

• Controlled Items
  – Items that the State Controller’s Office classify as high risk and need to be monitored by the department.
Who is responsible for CSU’s Property Management?

EVERYONE IS!
ROLES

- Procurement, Sponsored Programs, Property Management, Surplus Property
- Accountable Property Officer (APO)
- Department Property Contact (DPC)
- Responsible Party

Colorado State University
ACQUISITION

TRACKING

DISPOSITION
ACQUISITION OF ASSETS

There are multiple ways to acquire capital assets.

1. Requisition (purchase)
2. Transferred-In (usually from another University)
3. Donated (given to CSU, no tax write-off)
4. Loaned to CSU (from Sponsor, Vendor or Feds)
5. Gift-in-Kind (thru CSU Foundation, tax write-off)
REQUISITION DOCUMENT

To purchase Capital Assets you will need to complete a requisition document in Kuali.

- Use the correct object code
- Complete the Capital Asset Tab
REQUISITION DOCUMENT

• Object Codes are specific to types of assets. There are specific object codes for Automobiles, Software, and Art.

• Object Codes are also specific to different types of funding. There are specific object codes for 77 funds and 53 funds.

• And Object Codes are subject to the Fund Source Code and Title (Ownership).
The Capital Asset Tab consists of 3 Choices for Capital Asset System Type.

- One System – ALL lines are combined
- Individual Assets – NO lines are combined
- Multiple Assets – Some lines are combined
The Capital Asset Tab consists of 2 choices for Capital Asset System State.

- New System – Acquiring a new piece of equipment and/or replacing an asset (not an upgrade or adding-to).
- Modify Existing – Adding to (or upgrading) an asset that already exists. Also, this can be a repair part that significantly extends the life of an asset.
OTHER ACQUISITION TYPES

**Transferred-In** equipment is usually brought in when a professor “transfers” to CSU from another institution and brings equipment with them.

**Donated** equipment is usually given to CSU and the donor waives any tax write-off advantage.

**Loaned** equipment is usually provided by the federal government, sponsor or a vendor for a specific amount of time and needs to be returned after that time period.
**Transferred-In, Donated and Loaned**

- **Add Equipment to Property System Form**
- **Letter of Release and Letter of Acceptance or Contract**

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**Add Equipment to Property System**

**Business & Financial Services**

**Property Management Office**

**Date:**

This form is used for equipment that is either transferred in from another university/agency, furnished by a sponsor, or donated. Submit completed forms to Debra Ellison vice mail at Debra.Ellison@Colorado.edu or campus mail at 6003 Campus Delivery.

- Transferred in by another company or agency include a letter from the agency relinquishing the asset and a letter from the department accepting the asset.
- Equipment on loan to CSU by a sponsor, vendor, or Federal agency. Include the contract.
- Donation to a CSU department directly but not sent through the Foundation. Donor will not receive a tax write off.

**Contact Name:**

**Phone number:**

**Department Receiving Equipment:**

**Donor or Loaning Agency:**

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**For the Department to fill in:**

**Description**

**Year**

**Vendor**

**Manufacturer**

**Model**

**Serial**

**Owner**

**Department #**

**Building #**

**Room #**

**Asset Rep**

**Value**

---

**For the Department to fill in:**

**Description**

**Year**

**Vendor**

**Manufacturer**

**Model**

**Serial**

**Owner**

**Department #**

**Building #**

**Room #**

**Asset Rep**

**Value**

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**For the Department to fill in:**

**Description**

**Year**

**Vendor**

**Manufacturer**

**Model**

**Serial**

**Owner**

**Department #**

**Building #**

**Room #**

**Asset Rep**

**Value**

---

**Additional Information for leased equipment:**

**Received date**

**Return date**

**Additional Information for leased equipment:**

**Received date**

**Return date**

---

**For Property Management to fill in:**

**Decal number**

**PO**

**PO Date**

**Org Account**

**Account**

**Object code**

**Asset type code**

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*An appraisal is required for all equipment transferred or donated. Appraisals can be requested from the Surplus Property Department or performed by a certified 3rd party. For leased equipment, list the cost on the contract.

**Expected date of receiving and estimated date of return for leased equipment**

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**PON 344**
GIFT-IN-KIND

• Gifts usually go through the CSU Foundation and the donor receives a tax write-off.

• The CSU Foundation forwards Property Management a monthly report and Property sets up capital assets from the report.
TRACKING

- Decal
- MAINTENANCE
- Movement
- INVENTORY PROCESS
- Property Management’s Role
• Decal
  – Asset representative
  – First number on tag indicates title holder
    • 2 and 3 = CSU owned
    • 5 = Sponsor
    • 6 = Federal
    • 7 = Art
    • 8 = Leased
    • 9 = Department tracked
  – Locate and place tag
    • Establishes home location and asset representative
    • Begins insurance coverage
    • Barrier and offsite equipment requires a special processes
• Movement
  – Between users
  – Change of physical location
  – Renovation and relocation
  – Checked out for offsite use
    • Monthly loan report sent to DPC and Rep
  – External transfer

Please join us for document training Tuesday February 18th for step by step instruction on all asset edit documents

From: BFS Property
Sent: Monday, December 02, 2013 6:30 AM
To: Drentz, Rachel
Subject: Loan Report

This is a system generated email to inform you that there are outstanding loan documents in Kuali that have expired already or will expire by the end of this month for your department. The attached report details the assets with expiring loans. Please review the attachment and submit a document to either renew the loan or return the asset to campus. Please contact your Inventory Specialist by replying to this email or calling Mack Freestone at 491-1358 or Rachel Drentz at 491-1045 with any questions or concerns. We appreciate you keeping your asset records up to date!
**Maintenance**

- Routine upkeep
  - To be logged in the asset record
- Quarterly Maintenance Report
  - Equipment out of compliance
  - Sent to DPC and Reps
- Offsite service
  - More than 30 days requires a loan document to update property record

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**Original Message**

From: JasperReports  
Sent: Friday, November 15, 2013 6:30 AM  
To:  
Subject: Federal property requirement – record maintenance for capital equipment

This is a system generated email to inform you that Federal Acquisition Regulation (FAR) part 52.245-1, “Government Property,” requires stewards of federal property to have a property maintenance program in place to enable the identification, disclosure, and performance of normal and routine preventative maintenance and repair of federal property. Departmental custodians, such as Principal Investigators (PI), are responsible for ensuring maintenance is performed on their capital assets. This email is intended to make you aware that there is a central location within the Kuali Capital Asset Management (CAM) Database to record maintenance and repair history for capital assets.

If you are receiving this email there is Federal or Conditional titled equipment listed within your Department and you are either the responsible party listed on the asset record or the Department Property Contact (DPC) for your Department. Please review the attached report which details the assets with FED or COND title on an active 53 account. Also attached are document instructions for the Repair History tab on the asset record. This is where maintenance can be entered on the asset record. Please contact the Property Management Office at 491-2040 for any help updating your asset record. Please contact your Senior Research Administrator with any questions or concerns about the contract, grant, or agreement.

If you are no longer the responsible party for this equipment or the DPC for the Department please contact the Property Management Office in order to update the information that is on file. We appreciate you keeping your asset records up to date!
• Inventory Process
  – Biennial
  – Contact + Planning
    • Who should be involved
    • Best practices
    • Timeframe for completion
  – Wall to wall
    • Requirements in the event we locate un-decaled or un-declared assets
  – Reconciling
    • Partner with individual reps for location of missing assets
  – Results and consequences
    • Notification of close out meeting with department head, DPC and any reps concerned
    • Action plan required at time of closeout
    • Results reported to the Provost
• Property Management’s role
  – Assistance to departments
  – 3rd party verification
  – Assist in external audits
  – Keep records on file

Your Property Management Team
ACQUISITION

TRACKING

DISPOSITION

Colorado State University
DISPOSITION OF ASSETS

Disposition of CSU property

• Utilization – what is it and how should it be working for my department
  – Re-allocation
  – Re-utilization
• Regulations for disposition of CSU or Sponsor owned property
  – CSU
  – Federal FAR and FMR
  – E-waste regulations
  – State, County and City regulations

• Property record
  – Accountability
  – Cannibalization
  – Modify existing asset
  – Trade in
  – Transfer

• Equipment Accountability Change Request (EACR)
  – Department Responsibility
  – Authorization
  – EHS
  – Flow chart
DISPOSITION: UTILIZATION

Surplus Property at CSU handles, disposes, and redistributes all property that the University no longer needs. The main objective is to provide an opportunity for the reallocation of still-usable items from one area of the University to other areas that have a need for them. In addition, items no longer needed by the University are offered to the public through weekly walk-in sales, online auctions and sales, or recycling of items that no longer have a market value. This both maximizes the value of taxpayer investment in university property and helps prevent these items winding up in the landfill.
DISPOSITION: UTILIZATION

Utilization is the practice of providing value to the university by making efficient and effective use of an asset throughout its useful life.

It is Property Management’s recommendation:
• You have a method for Identification of un-used or under-utilized equipment within your department
• An attempt is made to make the equipment available to others within your department or building
• Outdated or obsolete equipment is sent to Surplus Property as soon as possible for the best return for your Department and the University’s investment

Colorado State University
DISPOSITION: UTILIZATION

Re-utilization

Did you know your department can purchase items from Surplus at a fraction of the cost of buying new and every year this method of procurement saves the university tens of thousands of dollars?

Re-allocation

Did you also know that Surplus reallocates proceeds back to the transferring department?

The method for determining the amount to reallocate:

• Surplus first deducts any external fees associated with the sale of the item
• Retains the next $100 of the sale plus 10% thereafter capping at $500
• For all cell phones, Surplus keeps the first $50 of the sale only

*Currently computers and servers are exempt from reallocations based on the internal time to test and process them properly.

Colorado State University
Surplus Property has been delegated the authority and responsibility for administering the disposal of property other than land or buildings. Departments are not authorized to dispose of any items or equipment without prior approval from the Director of Surplus Property or his/her delegate. No department or individual should make or authorize any sale, trade-in or donation without prior approval of Surplus Property.

45.604-1 Sales procedures.
Surplus personal property that has completed screening in accordance with 45.602-3(a) shall be sold in accordance with the policy for the sale of surplus personal property contained in the Federal Management Regulation, at part 102-38 (41 CFR part 102-38). Agencies may specify implementing procedures.
Amendment to the City Code to prohibit disposal of electronic equipment (as defined by the State of Colorado Hazardous Waste Regulations 1007-3, Section 260.10) in the waste system.

Electronic Recycling Landfill Disposal Ban
Effective Monday, July 1, 2013, a statewide electronics landfill disposal ban went into effect in Colorado. The Electronic Recycling Jobs Act prohibits disposal of a number of electronic items in landfills and at transfer stations.

The Colorado Solid Waste Act requires that all solid waste be disposed of, treated or recycled at designated facilities approved by both the Division and the local governing body with jurisdiction (county, city, town) in which the facility is located.
http://www.green.colostate.edu/

Electronics Recycling Program

CSU's Surplus Property is now accepting personal electronics recycling items from faculty, staff, students. Each year, millions of computers, monitors, cell phones, TVs and other electronics designated as "e-waste" end up in landfills in the United States. These items contain significant quantities of hazardous materials, such as lead and mercury. Surplus Property and its recycling vendor provide a secure and safe process for responsible, environmentally conscious electronics recycling.
Property record accountability:

- It is the departments’ responsibility to maintain accurate records of all items purchased with CSU funding or acquired through alternate funding, including proper disposition.
- Any piece of equipment with an active decal must be dispositioned/processed with a KFS document.
- CAM Processors are expected to process capital items through KFS accurately and in a timely manner.
- By submitting a KFS document you are ensuring all components and applicable accessories are accounted for and available for pickup.
- Prior to pickup, property is adequately secured in order to prevent damage or theft.
- The department is responsible for contacting EHS to certify any property including capital items that have been in contact with any hazardous or biological contaminates.
**DISPOSITION: PROPERTY RECORD**

**Property record - Trade in**

- If you have an opportunity to obtain value from a vendor for the exchange or trade in of your equipment, contact Surplus Property for pre-authorization. Then for capital assets, submit a KFS document for trade in.

**Transfer**

- Prior to an employee or faculty leaving your department, verify any assets assigned to that individual or research project. Please contact Property Management with specific requests.

*Colorado State University*
Property record-modify/cannibalization

- Consider how an item was purchased before choosing your disposition—it could have come in a bundle or package or kit and whether we have decals on each piece or not, we will need to account for all components purchased.

- Occasionally you may find portions of your equipment to be compatible in other configurations with other systems, please first notify Property and Surplus for instruction on the proper way to cannibalize your system.

- Perhaps you are replacing a component from your system, which documents will you need?
  - Requisition for Modify Existing Asset
  - Request to Surplus for cannibalization
DISPOSITION OF ASSETS: NON-CAPITAL

Equipment Accountability Change Request:

The authorized signer on the EACR or KFS CAM Processor certifies:

1. You have the authority to disposition equipment for your department
2. The form is filled in with accurate information regarding the description, make, model and serial (often indicated "sn")
3. You have verified that equipment listed on the form does not include active capital asset decaled items or components thereof
4. The equipment for which you are requesting disposition is free from any hazardous material or has been appropriately certified through EHS
5. That you are sending an original signature on the document
DISPOSITION OF ASSETS: NON-CAPITAL

**EACR**

**Departments of Central Receiving - Surplus Property**

**Equipment Accountability Change Request (EACR) Form**

**Instructions:** Please fill out this form electronically with as much information as possible. For detailed instructions, please visit [http://cr.colostate.edu/](http://cr.colostate.edu/). When the form is completed, please print, sign, and inter-office mail to Property Management at 6003 Campus Delivery Fax and e-mails are NOT acceptable. Please DO NOT send this form directly to Surplus Property as it will be rejected. You may save a completed copy of this form to your computer for reference. If you have questions about the process, contact Property Management at 491.1045 or Surplus Property at 491.1193.

**LOT #:**

**SECTION 1**

- Type of Disposition
  - Surplus Property
  - Non-Capital Asset Trade-In (Provide Req #)
  - Other (Provide Reason)

- Account Number for Re-allocation: XXXXXXX

**SECTION 2**

- Name of Department: Property Management
- Department Number: 6003
- Contact Person Name: Rachel
- Contact Person Phone: 1-1045
- Are All Items Available for Pickup Immediately? Yes
- Date Available for Pickup: Friday

**SECTION 3**

- **Lot #:**

**SECTION 4**

- This EACR contains any of the following: Freezers, Refrigerators, or Laboratory Equipment that have come into contact with chemical, biological, or radioactive material. If so, a Freezer, Refrigerator, or Laboratory equipment declaration form will be attached to this EACR. This form is available on the surplus property web page at [http://cr.colostate.edu/](http://cr.colostate.edu/).

**SECTION 5**

- **Data Available for Pickup:**
  - Friday

**SECTION 6**

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<th>Serial Number</th>
<th>CSU Decal Number</th>
<th>Manufacturer</th>
<th>Model</th>
<th>Item Description</th>
<th>Building Name</th>
<th>Room # or Location</th>
<th>Reason Code</th>
<th>Condition Code</th>
<th>Funding</th>
<th>Value</th>
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<td>ms-80s</td>
<td></td>
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<td>Howes Business Center</td>
<td>314</td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
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<td>na</td>
<td>na</td>
<td>box of binders</td>
<td>Howes Business Center</td>
<td>314</td>
<td>2</td>
<td>3</td>
<td></td>
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<td>na</td>
<td>electrical cords</td>
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<td>314</td>
<td>3</td>
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<td></td>
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<td>Dell</td>
<td>precision 340</td>
<td>Computer (not in KFS)</td>
<td>Howes Business Center</td>
<td>314</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SECTION 7**

**Authorization**

This area must be completed or your form will be returned.

**Rachel Drendt**

Name of Person Authorizing EACR

**Signature of Person Authorizing EACR**

Please Do Not Use Black Ink

**Property Management Approval**

Signature

Date

Central Receiving Approval

Signature

Date

**Notes:**

Send this form inter-office Mail (NO FAXES) to Property Management at 6003 Campus Delivery for approval. Pickup will be scheduled only after PM approval. DO NOT send this form to Surplus Property as it will be rejected.
SPRING TRAINING

KFS 5.0.3 Document Changes
- January 29

Two-Part Series
- CAM Basics
  - February 11
- CAM Documents
  - February 18

Responsibility Training
- Accountable Property Officer (APO)
- Department Property Contact (DPC)
KUALI 5.03 ENHANCEMENTS

• Allow users to enter dollar amounts on the Requisition and PO Accounting Lines
• Multiple assets allowed on Financial Processing documents
• Description added to Accounting Line on Financial Processing documents
Property Management records and tracks capital assets; calculates depreciation; and issue reports to management and sponsors. We also manage the physical inventory of capital and sponsor-owned assets, which includes meeting with department personnel and scanning all assets. We are the liaison with property auditors and provide guidance to departments, faculty, and staff regarding issues related to property administration and inventory.

Forms
- Capital Equipment Checklist
- EACR
- Information needed for Equipment Transferred In or Furnished by an outside Agency (Excel)
- Screening Certificates

Reports
- Capital Equipment Inventory Report Instructions
- Organization Equipment report for Capital Equipment Inventory
- Organization Equipment report for Capital Equipment Inventory - Excel

Training
- CAM Basic Training
- CAM Document Training
- The New Software Accounting Rules - GASB 51

Guides and Manuals
- PROPERTY AND PLANT MANUAL.docx
- Equipment Object Codes
- Inventory Brochure
- Property and Inventory FPI Manual
  - FPI 4-5 Trade-in, Retirement, Cannibalization, and Surplus.pdf
  - FPI 2-13 Inventory of Consumables and Merchandise.pdf
  - FPI 4-7 Work in Process & Equipment Fabrication.pdf
- Kuali Documents
  - Adding Non-Capital Assets
  - Capitalization Entry from an 88 or 89 Work in Process Account
  - Creating a Loan or Renew or Return Document in Kuali
  - Creating a Lost/Write-Off Retirement Document
  - Creating a Surplus Document
  - Creating a Trade-in Document

Policies & Memos
- Statement of Policy Change - May 1, 2000
- Retag Inventory 2000

Property Management Staff
Surplus Property
SUPPORT MATERIALS

- http://busfin.colostate.edu/prp.aspx
- Business & Financial Services FPI Manual; Section 4 – Capital Construction and Property, Plant & Equipment
- Listserv communications
- Biannual newsletter
- Advice/guidance via phone or email
THANK YOU!

Please fill out the evaluation forms, we appreciate your feedback.

Business & Financial Services – Property Management

Genevra Scott  491-2040
Debra Ellison  491-2270
Rachel Drenth  491-1045
Mack Freestone  491-1358