



POLICY: **FIXED ASSETS, PROPERTY, AND EQUIPMENT**

EFFECTIVE DATE: **APRIL 12, 2002**

REVISED DATE: **DECEMBER 4, 2015**

APPROVAL DATE: **NOVEMBER 5, 2021**

DEFINITIONS

Capital Equipment:

Equipment or property that does not meet the fixed asset criteria that benefit or provide services of one year or more will be tagged and tracked but not recorded on Fixed Asset Schedule.

Fixed Asset:

Equipment or property that meet three criteria including: 1) useful life of five years or more, 2) moveable property which is nonexpendable and does not change with use, and 3) a purchase price of \$5000 or greater.

Fixed Asset Schedule:

Complete list of fixed asset account balance listed in the general ledger.

General Ledger:

The main accounting record of a company or organization.

PURPOSE

The purpose of this policy is to establish that Associated Students, Inc. of California State University San Marcos (herein called ASI) has adequate administration of property inventory and management of assets, property, and equipment.

POLICY

- I. Fixed assets are used for ASI business-related purposes only and remain the property of ASI as determined by the useful life and functionality as noted in this policy.
- II. The cost of a fixed asset or capital equipment includes the purchase price plus all costs to acquire, install, and prepare the property for the intended use.
- III. The cost of the asset is recovered from operation through depreciation expense by spreading the cost of the fixed asset evenly over the life of that asset. This process is performed by the CSUSM Accountant designated to ASI and follows CSUSM and CSU Chancellor's Office policies and procedures.

1. The factors considered in the depreciating the cost of fixed assets and determining estimated useful life are wear and tear, deterioration, and damage and/or destruction.
- IV. Portable property which does not meet minimum cost criteria outlined above may be included as capital equipment for accountability purposes.

PROCEDURE

- I. Inventory
 1. Upon purchase and/or acquisition of fixed assets, the designated ASI Professional Staff ensures that the items are tagged with a preprinted and numbered ASI property label.
 - a) All tags are to adhere to the property with easy viewing and access.
 - b) This information is forwarded to the CSUSM Accountant designated to ASI.
 - c) The CSUSM Accountant designated to ASI records the cost and useful life of fixed asset into the PeopleSoft accounting system.
 2. Annually, a designated ASI Professional Staff and the CSUSM Accountant designated to ASI will conduct an independent physical count of the inventory.
 - a) The physical count consists of a walk-through of each area of ASI to verify the physical inventory with the ASI Fixed Asset Schedule.
 - b) Any discrepancies must be reviewed and approved by the ASI Executive Director and the CSUSM Manager of Auxiliary Financial Operations.
- II. Fixed Asset Reconciliation
 1. The fixed asset schedule is reconciled quarterly to the general ledger by the CSUSM Accountant designated to ASI
 2. The CSUSM Manager of Auxiliary Financial Operations approves the quarterly reconciliation and provides the completed/signed report to the ASI Executive Director.
- III. Sale, Disposition, Transfer, and/or Stolen Propetry
 1. A fixed asset is considered inadequate and/or obsolete when it no longer serves the purpose for which is was originally intended.
 2. The sale, disposal or transfer of any fixed asset to a non ASI entity requires written authorization of the ASI Executive Director.
 - a) In such instances the ASI Property Disposal Form is utilized.
 - b) The bar coded property tag must be affixed or documentation to the ASI Property Disposal Form
 - c) These materials must be submitted to the designated ASI Professional Staff for final approval.
 - d) All sales, transfers or disposals of property are reported with proper documentation by the ASI Designated Professional Staff to the CSUSM Accountant designated to ASI at the time of disposal.
 - e) Students or student organizations should be the recipients of disposed fixed assets whenever feasible.
 3. If a fixed asset is damaged, the ASI Executive Director and the designated ASI Professional Staff determine whether to repair or replace the item.

4. If a fixed asset is stolen, the ASI Executive Director initiates an investigation with the University Police Department. The CSUSM Accountant designated to ASI will be informed of the outcome of the investigation. If the item is not found, it will be written off by approval of the ASI Executive Director.
 - a) Any loss or proceeds from the trade, sale, or disposal of a fixed asset will be assigned to the account from which the asset was originally purchased.

RELATED DOCUMENTS

- I. ASI Property Disposal Form
- II. CSU Administration of University Property:
<https://calstate.policystat.com/policy/8543126/latest/>