

Property Management

General Statement

UUOCI property accounting procedures are designed to maintain control identification and ensure accountability within the Plant Fund for all UUOCI investments in nonexpendable property and for certain items of expendable property.

Guidelines and Procedures

Non-expendable property consists of furniture and equipment, capital improvements, data equipment, and fitness equipment with a normal useful life (including extended life due to repairs) of three years or more, and an identity that does not change with use, and of a nature that makes property accountability practical, and a unit cost of \$5000 or more. This property will be referred to as "Assets" and will be considered expenditures to be capitalized. Non expendable items of an acquisition cost which is less than \$5000 will not be capitalized as assets but may be assigned to asset records as "Inventory".

Expendable property consists of all expendable tools, equipment, materials and supplies, and items which would not otherwise be expendable but which have a normal useful life of less than three years or which cost less than \$5000 or which have a nature which makes property accountability impractical.

Art acquisitions which have a unit cost of \$5000 dollars or more will be accounted for as a capitalized asset. The asset will be assigned to the asset category of "Art" and the asset type of "Art". Capitalized art will not be depreciated. Art acquisitions which have a unit cost of less than \$5000 will be expensed and assigned to the asset records as inventory.

Capitalized assets within the Union Plant Fund will be segregated to identify capitalized amounts within separate categories to identify and differentiate capital improvements (leasehold improvements) from minor equipment and base supplies, from furniture and equipment, from data equipment, from fitness equipment, and from art.

All asset and inventory acquisitions will be added to asset records upon acquisition of the property or completion of the capital improvement, or at minimum on a quarterly basis. Additionally, all capitalized assets will be added to the general ledger on a quarterly basis.

Additions and/or improvements to existing asset items will be capitalized and added to asset records utilizing the same determinations as for complete items of property.

All costs of acquisition, or addition, or improvements of or to capitalized items will be included in determining the capitalized cost, i.e., taxes, (trade-in), freight-in, installation, etc.

All asset and inventory disposals will be deleted from asset records upon trade-in, or loss, or upon disposal due to wear and/or damage that places the item beyond economical repair and use, or at minimum on a quarterly basis. Additionally, all capitalized assets and accumulated depreciation will be deleted from the general ledger on a quarterly basis.

In addition to standard and acceptable account records maintained on the UUOCI books of account, asset records will be maintained to include:

1. A computerized data base of each item detailing the item name, quantity, inventory number, manufacturer, model, serial, color, cost each, cost total, purchased from, purchase order number, description. This data base will be maintained and reconciled to the general ledger at minimum on a quarterly basis.
2. A chronological listing of property items added to or deleted from capital accounts and inventory. This listing will identify the items, the quantity, the purchase order number, the method and date of disposition, the asset ID number, the dollar cost per each and the dollar cost item total by capital account category. This listing will be maintained at minimum on a quarterly basis.
3. A PDF scanned listing of each item with last date verified and most recent counts and comments will be maintained for the physical inventory yearly during the last month of the fiscal year.

Tag numbers will be placed on UUOCI property in as inconspicuous a location as possible, will begin with UU and will be assigned in sequence.

Theft sensitive property, those items or groups of items which are highly desirable and portable, such as hand tools, audio-visual equipment, data equipment, fitness equipment etc., even when not being capitalized, may be assigned to asset records as "Inventory" for identification and control purposes. Note that acquisition costs of these items must not be included in capital asset totals. UUOCI tag numbers will be labeled on the item in all cases possible but not in such a manner as to damage or deface any items. If labeling is not possible in the manner noted above, then permanent ink marking of a contrasting color may be used, also ensuring that this is done inconspicuously and without defacing or damaging the item. On some wood items a combination of engraving and filling the engraving with permanent ink may be desirable to ensure permanency.

Not less than one-third of the University Union property inventory will be verified yearly during the last month of the fiscal year and this verification shall additionally include all large quantity or especially large dollar items.

Depreciation expense will be recorded to the general ledger on a quarterly basis.

Depreciation schedules are as follows:

- Capital Improvements - Twenty years from completion date

- Furniture and Equipment - Ten years from acquisition date
- Data Equipment - Three years from acquisition date
- Minor Equipment - Three years from acquisition date
- Fitness Equipment - Three years from acquisition date
- Art - Does not depreciate

The determination for specific items by definition of "furniture and equipment," "expendability", or "capital improvements" will be by applying as reasonably as possible the State of California definitions. (SAM, Chapter 8600).

Change History

Adopted: April 22, 2002

Updated: November 16, 2011

Updated: March 8, 2006