

# Fixed Assets Policy and Procedure

## General

An important function of the college business operation is the equipment inventory or Fixed Assets. As employees of Eastern Oklahoma State College each person is responsible for the equipment he or she works with and is accountable for the use of equipment purchased with college funds.

In order to maintain a record of all movable equipment, each asset will be tagged and recorded in our inventory system. Control of the inventory is administered through the Business Office.

The College will maintain inventory record of:

- Any item that has an acquisition cost of over \$1,500 and is complete and independent item which does not lose its identity or become a component part of another item.
- Vehicles, tablets, laptops, and video projectors regardless of acquisition value.
- Equipment donated to the College for its use and benefit.

## Acquisition

Purchase of equipment and gifts or donations of equipment valued at \$1,500.00 or greater should be added to the Fixed Asset inventory. Purchase of IT Equipment including but not limited to tablets, laptops and iPads should be added to the Fixed Asset inventory in order to safeguard against loss. Timely reporting and tagging of equipment is vital in keeping inventory records as current as possible and provides a greater amount of security for all institutional property. Therefore, a joint effort between EOSC Business Office and EOSC departments is necessary for the Fixed Assets to operate in the most efficient manner.

## Stolen/Damaged/Destroyed

The College is responsible for replacing or repairing EOSC equipment that is stolen, damaged or destroyed. Any loss or theft must be promptly reported to the EOSC Business Office.

## Removal from Campus

College owned equipment, as well as any other property for which the College is responsible, may not be removed from the campus except when it is necessary to carry out an instructional or College-sponsored activity scheduled off-campus as a planned event of the College. The removal must be authorized by the department head.

## Removal from Inventory

Selling, trading, deleting from inventory any item of College-owned equipment must be processed through the Business Office with the approval of the President and Board of Regents. This policy also applies to the disposal of scrap, salvage, broken, obsolete, and surplus items. If an item is to be removed from a department's inventory, the Fixed Asset Inventory Form should be completed and sent to the Business Office to make arrangements for the removal of the item and for removal of the item's tag number. Deleted items will be moved to storage and a determination made of their residual value in accordance with the surplus property policy.

## Annual Campus Wide Inventory

Annually each department will be notified with a list of equipment listed to be in their possession. This list will need to be reviewed and updated with the Business Office. Each year the Business Office will conduct a physical inventory of one random building to verify accuracy of the inventory system.

## Transfer of Equipment

Each department is responsible for the transfer of equipment within or between other departments. The transfer is made by completion of a Fixed Asset Inventory Form and is initiated by the releasing department. To maintain inventory integrity and for insurance purposes, it is very important to keep the Business Office informed of changes in location of equipment in a timely manner.

## Surplus Equipment and Disposals

Business Office provides departmental assistance in the removal and disposal of surplus property from the Fixed Asset Inventory. Any equipment that is in need of disposal, sell or trade must be processed through the EOSC Business Office along with being approved by the Board of Regents. The Business Office must be notified of all surplus items for disposal. All electronics will be processed through the IT Department for proper disposal either through donation, repair or disposal and will be removed from the inventory system. If the item still has value it will be sold through the OMES Surplus website or through local sell/trade.

## Methods for Transfer of Surplus Property

The methods for transfer of surplus property are:

- Transfer to another department
- Public auction
- Donation to another state agency/public school

Trade-in on “like” or similar products, when approved in advance, in writing, by the Office of Business Affairs.

## Equipment Reutilization

EOSC may make excess surplus property available to the public school district without compensation or to other Oklahoma governmental agencies in lieu of disposal by public action or sealed bid.

## Trade-Ins

If an item is used as a “trade-in” on new equipment the inventory tag is to be removed and attached to the Fixed Asset Inventory Form and sent to the Business Office for processing.

## Disposal of Salvage and Scrap Materials

The Director of Finance with the President will designate employees authorized to dispose of scrap and surplus items. These items are defined as items that are not equipment, i.e. scrap wood, metal and other miscellaneous items that are the result of remodeling, renovation and temporary construction projects.

## Capitalization and Depreciation

Capitalization procedures will be applied to fixed assets as defined by the Financial Accounting and Reporting Manual for Higher Education (FARM).

Land – Capitalized at cost. Land and structures purchased or donated together will be separated when possible and capitalized separately. Cost of preparing the land for use will be capitalized, when substantial with the land.

Building – Capitalized if \$25,000 or more and life expectancy of at least 10 years.

Additions and renovations will be capitalized if:

- The cost of the project is \$25,000 or more, and
- The renovation extends the useful life of the facility or modifies and/or upgrades a building, i.e. installation of updated fire alarms, removal of barriers to individuals with disabilities, etc.

Improvements other than buildings – Capitalized if \$10,000 or more. Examples are parking lots, sidewalks, fiber optics, etc.

Equipment – Capitalized if:

- Cost is \$1,500 or more,

- Useful life exceeds one year, and
- Not an integral part of another unit
- Except in the case of laptop/tablets or similar items

Library Books – Capitalized at cost if the item becomes a part of the volume count for the library.

## Depreciation Schedule

All Fixed Assets are depreciated using the straight-line method over the useful life of the appropriate asset class. Depreciation will be calculated at ½ year life for the first and last year of the estimated useful life, all years in between will be calculated as 1 full year.

The following table summarizes the estimated useful lives for the College’s depreciable asset types:

<b>Asset Type</b>	<b>Estimated Useful Life</b>
Buildings	30 years
Building Improvements	10 years
Equipment	3 years
Infrastructure	20 years
Land Improvements	10 years
Library Books	5 years
Livestock	0 years