

DPA Training Summary

What is a fixed asset?

Any property or equipment not for resale, that has an initial value of \$5,000 or more (individually or as an operating unit) that will be used or held in excess of one year or renovations totaling \$50,000 in aggregate (\$5,000 for Reynolda House) that extends the useful life of the structure. See "Is This A Fixed Asset Purchase?" and "Capitalization Decision Chart" on Asset Management web page (see link at end of summary).

What is a fixed asset inventory system?

A system used to track the movement and condition of WFU fixed assets and ensure the accuracy of the fixed asset records within Banner. WFU's inventory tracking system is Sage FAS.

Why do we need a fixed asset inventory system?

To properly identify WFU assets, ensure WFU assets are properly safeguarded, controlled and disposed, ensure adherence with GAAP (Generally Accepted Accounting Principles), applicable federal and state laws, WFU policies and procedures and private granting agencies regulations and promote consistent accounting treatment of assets across WFU.

Who is involved in the fixed asset inventory process?

Surplus Coordinator: First contact concerning most asset movement, forwards asset movement notifications to Fixed Asset Accountant.

Fixed Asset Accountant: Provides training for all involved in asset movement, coordinates physical inventory counts and asset tagging with General Accountant and DPAs, reconciles inventory counts to fixed asset systems, provides asset and inventory reports to departments, maintains asset records in fixed asset and inventory systems.

General Accountant: Involved in physical inventory.

Department Property Administrator (DPA): Partners with and assists Fixed Asset Accountant to ensure successful inventory counts and reconciliation, ensures department follows fixed asset policy & procedures, keeps track of all inventory movement, completes and forwards required asset movement forms.

Policy & Procedures

Everyone involved in asset movement should be familiar with the Fixed Asset Policy & Procedures document. The document is located on the Asset Management web page (see link at end of summary).

Acquisitions:

How WFU obtains, receives and becomes accountable for property (purchases, donations/gifts and leases). The Fixed Asset Addition Checklist is used to add acquisitions to the Fixed Asset system. When coding invoices for capital purchases, use the Asset & Capital Expense Accounts Overview sheet to determine the correct account code.

Donations/Gifts: Must be reported to Advancement office. Advancement is responsible for obtaining the current value of the donation and sending an acknowledgement to the donor. The Fixed Asset Accountant should be notified of any donations having a fair market value of \$5,000 or more. These donations will be considered WFU capital assets and will be added to the fixed asset system and tagged for inventory purposes.

New faculty/staff transferring equipment to WFU: The Fixed Asset Accountant should be notified when new faculty/staff transfer equipment from another institution or agency. A notice should be obtained from the transferring agency or institution authorizing the transfer and stating asset value. Equipment meeting the criteria for capitalization will be recorded in WFU's fixed asset system and tagged for inventory purposes.

Employee owned equipment: Should be reported to Campus Police via the Operation ID form on the University Police web page. This will serve as proper identification upon employee separation from WFU, as well as recording serial numbers and other information in case of theft, fire or other insurance purposes.

Vendor owned equipment: Will not be included in WFU's asset records or inventories.

Capitalization:

An asset is capitalized if it meets all of the following conditions: owned or considered owned by WFU, held for operations (not for resale), useful life exceeds one year, and meets WFU capitalization thresholds (\$5k/\$50k). Capital assets include land, land improvements, buildings, building systems, building improvements, furniture, fixtures & equipment, vehicles, software and capital leases. Assets are capitalized in the year of purchase, or if under construction, being at least 90% complete and/or placed into service. Capitalization is performed by the Fixed Asset Accountant in the Banner Fixed Asset module.

Asset Tagging:

Taggable assets are assets that are able to be physically tagged. Non-taggable assets can not be physically tagged because of size, location or sensitivity (e.g. lenses, microscopes and scoreboards). General guidelines include placing tag where it is easily seen and accessible by scanner, and will not interfere with the proper function of the asset. Do not place tag on bottom of asset. Try to tag asset in front upper right hand corner or near serial number, if possible. Place tag in area least likely to be painted or covered in some way. Do not place tag on walls or temporary/removable components. Engineering/Scientific equipment should be tagged under guidance from department personnel. Maintenance equipment should be tagged where least amount of grease, oil, vibration or heat would affect tag. Athletic equipment should be tagged under guidance of athletic department personnel so as not to violate any rules or regulations of governing bodies. Non-taggable asset tags will be attached to the Non-taggable Asset form and kept in the Non-taggable Asset binder. The DPA will maintain the non-taggable binder which can also include corresponding documents describing the asset (e.g. invoice copy, purchase order and/or purchase requisition).

Disposals, Transfers and Impairments:

The Surplus Coordinator is contacted when an asset of any dollar amount is no longer useful to the department. The Surplus Coordinator will determine whether or not the asset can be placed into Surplus inventory. The Fixed Asset Update Form is completed and sent, along with the asset, to Surplus. The Surplus Coordinator will then note on the form what action was taken with the asset, sign and date the form, and forward the form to the Fixed Asset Accountant, who will then update the asset record. International locations will dispose of assets themselves and send the completed Fixed Asset Update Form to the Fixed Asset Accountant. NOTE: IS is contacted for any computer disposals and Fleet Management is contacted for any vehicle disposals. When an asset is sold, a Bill of Sale must be completed by the Surplus Coordinator (or Fleet Management Manager for vehicles) and attached to the Fixed Asset Update Form before being sent to the Fixed Asset Accountant. Any proceeds should be coded to account 46019 - Proceeds from Sale of Fixed Assets. When an asset is determined stolen, it should be reported ASAP to Campus Police and a copy of the police report should be attached to the Fixed Asset Update Form. International locations should follow their local procedures concerning theft and attach any documentation to the Fixed Asset Update Form before sending to the Fixed Asset Accountant. When an asset is traded, a copy of the document showing the trade-in value should be attached to the Fixed Asset Update Form. Donations from WFU to qualified organizations are handled by Surplus, who will notify Financial Accounting and Reporting to ensure the proper accounts are used and proper forms are completed. Any donations of grant related assets should be verified with the Grant Manager to ensure there are no restrictions on the asset before donating the items.

Depreciation:

The monthly allocation of the cost of an asset. Depreciation is handled by the Fixed Asset Accountant in the Banner Fixed Asset module.

Inventory:

Physical inventory counts take place in each department on a rotating schedule at least every two years. Inventory teams will consist of the Fixed Asset Accountant and/or designee with assistance from the DPA. All inventoried assets should be physically tagged or have a tag placed in the department's Non-tagable Asset binder. Physical existence of tagged and non-tagable assets will be visually verified during inventory counts. Asset tags will be scanned and the listing of assets found will be compared to Banner asset records. Any discrepancies found during the inventory process will be addressed and rectified. Verification letters via email will be used for inventories of remote properties, such as Casa Artom in Venice. A week or so prior to the scheduled inventory month, the Fixed Asset Accountant will contact the DPA to schedule an exact date for the inventory. The DPA should then notify their department of the planned inventory dates, identify any areas that need special attention or precautions (such as clean rooms, biohazard areas, etc.), and ensure that the non-tagable binder and any off-campus equipment records are up-to-date. An inventory schedule has been developed by the Fixed Asset Accountant and the DPA for each area and can be found on the Asset Management web page.

Asset Records:

DPA's will know where the assets in their areas are located by assisting in the physical inventories and keeping track of asset movement during the year. DPA's will be responsible for keeping records of asset movement in their area by using the available forms including: Equipment Loan Authorization, Equipment Location Record and Off-campus Equipment Verification Worksheet.

Reporting:

Reports have been developed for the following purposes:
Asset Acquisitions, Disposals, Physical Inventory, Reconciliation Discrepancies.
Other reports will be made available as requested.

DPA Transition:

A Department Property Administrator Authorization form certifying department head approval, will be kept on file for each DPA. This form gives the DPA the authority to sign all Fixed Asset documents. When authority is transferred to a new DPA, the ending date is entered on the former DPA form and a new form is completed for the succeeding DPA. These forms should be sent to the Fixed Asset Accountant, with a copy kept for the DPA. All DPA's are required to attend DPA training sessions. New DPA's will be trained at one-on-one sessions as they join the group. Periodical mandatory DPA training sessions will be held to keep in touch, refresh memories and share new information.

Contact Information:

Kathryn Hackworth, Fixed Asset Accountant
hackwok@wfu.edu x4096

Fixed Asset Web Page:
<http://finance.wfu.edu/faculty-staff/asset-management>

All forms and other information are located on the Asset Management web page.