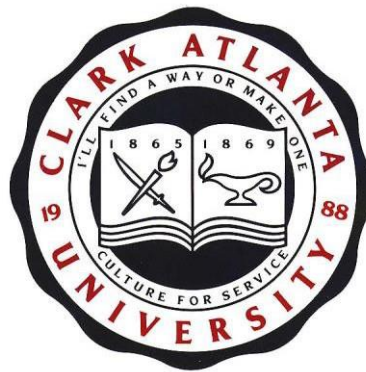


CLARK ATLANTA UNIVERSITY

Policy 7.4.1 Equipment Property Management and Control



CLARK ATLANTA UNIVERSITY		
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1.0 Policy Statement

Any equipment in the custody of Clark Atlanta University (University/CAU) regardless of how it was acquired must be accounted for at all times. The capitalization threshold for equipment property is applied retroactively to July 1, 2011.

2.0 Procedure Narrative

2.1.0 - Introduction

The Equipment *Property Management and Control System Policies and Procedures Manual* provides information necessary for managing the capital assets of CAU from acquisition to disposal. This manual does not replace the sponsor's property directives, nor does it replace contract provisions. Our goal is to present within the framework of one document, the routine property procedures basic to the establishment and maintenance of an adequate property control system.

Overall responsibility for property control is the responsibility of the Controller's Office of General Accounting (OGA).

The title to all University owned property and equipment shall always be in the name of Clark Atlanta University rather than any particular school, department head, or section. Title to research equipment purchased on grants belongs to the sponsoring organization until such organization specifically vests ownership and title with the University.

In the event of an inconsistency or conflict, applicable law, specific sponsor property directive, or statements of a contract supersede university policies and procedures. In addition, University policies supersede individual college, department or lower-unit bylaws, policies, or guidelines.

The University reserves the right to add or amend any of the contained rules, policies, regulations, and instructions, with or without notice, as circumstances may require.

2.2.0 – Property Management

2.2.1 A. Overview

The overall mission of property management is to collect, maintain and accurately report capital property information in conformance with external and internal requirements. The University is expected to establish and maintain an acceptable system for managing its property. General Accounting - Property Control is responsible for: 1) Tagging newly acquired capital equipment with a CAU property control number 2) Performing a physical inventory of all capital equipment every two years 3) Maintaining accurate inventory records of capital equipment locations, acquisitions and betterments, and land and building purchases 4) preparing for annual audits, including those conducted for the general purpose financial statement , and 5) reporting on property pursuant to OMB Circulars A-21, A-110, CFR 45, Part 74, A-110 OMB, and the Office of Naval Research.

All property purchased utilizing Federal or other sponsored funds are subject to guidelines contained in this policy except where granting agency guidelines or the requirements of a specific award vary from those found herein. In those cases, the more stringent of the CAU or agency guidelines will

Apply. If there is a question concerning the acquisition, recordkeeping, utilization, reporting or disposition of property purchased or to be purchased by a third party agency, it is incumbent upon the purchaser or custodian of the property to contact the Division of Research and Sponsored Programs (RSP), Office of Grants & Contracts Accounting (OGCA) or the Office of General Accounting (OGA) for assistance.

2.2.1.B. Types of Property

Clark Atlanta University maintains a property management system to account for all capital equipment for which the University holds title, with acquisition cost of \$5,000 or more per unit or a multi-unit acquisition cost of \$50,000 or more and a life of 1 year or longer. A complete record is kept of each item which meets the capitalization policy (see Section 2.2.1.C for a full definition). Items not meeting these thresholds must be considered expendable equipment.

For sponsored/federal titled assets, an article of tangible nonexpendable personal property having useful life of more than one year and an acquisition cost of \$5,000 or more per unit, or a multi-unit acquisition cost of \$50,000 or more is considered capital equipment. Below is a summary of capitalized property. (For a detailed explanation of each and account code structure, see Exhibit "B" & Exhibit "C.")

1. Real Property

- a. Land
- b. Land improvements
- c. Building & Building renovations

2. Capital Equipment Classification (Tangible nonexpendable personal property)

- a. Capital equipment
- b. Capital furniture & fixtures
- c. Vehicles
- d. Capital Leases
- e. Capital Software

3. Collectibles (Art Objects, Displays and Museum articles)

2.2.1.C. Capitalization of Equipment Criteria

Capital equipment, capital furniture & fixtures, vehicles, capital leases, and capital software are defined as assets with an acquisition cost of \$5,000 or more per unit, or a multi-unit acquisition cost of \$50,000 or more and a life of one (1) year or longer. Capital assets are further defined as assets included in the property management system which receive depreciation charges.

Capitalized costs generally will include the purchase price of the asset and any cost necessary to prepare the asset for its intended use. Equipment meeting Clark Atlanta's criteria will be tagged and inventoried by the Office of General Accounting.

2.3.0 – Responsibilities

2.3.1.A. Controller's Office of Grants & Contracts Accounting (OGCA)

OGCA is responsible for ensuring that sponsoring agency and university guidelines are followed for acquisition of equipment or property. In addition, this office:

1. Determines the appropriateness of equipment purchases.
2. Assists the Office of General Accounting (OGA) in identifying various components of Equipment Master File (i.e., funding source, % of federal funding used to acquire equipment, and ownership information. such as program or agency under which acquired).
3. Assists in reconciling final inventory closeout to financial reports.

2.3.1.B. Controller's Office of General Accounting (OGA)

OGA is responsible for maintaining the official University's property detail records for all capital equipment items. In addition, the OGA is responsible for:

1. Running the Fixed Asset Origination Tag Extraction that produces a report indicating Doc#, Item#, commodity, description, Origination tag, PO#, Amount, Indicator whether or not a tagged asset was capitalized or not.
2. Creating a unique inventory record and placing a CAU bar tag on new equipment, as it is acquired by purchase, donation, fabrication, or transfer.
3. Processing equipment transfer information to record current equipment location and/or disposition.
4. Assisting departments with data support for equipment inquiries and periodic equipment inventories.
5. Facilitating legal disposal of excess inventories and adjusting current detail equipment records for lost/stolen/missing items as well as recording financial impact of disposal.
6. Performing physical inventory of all CAU capital equipment at least once every two years in accordance with OMB circular A-110, c.34 (f)(3).
7. Providing depreciation report (Net Book Value) to other departments upon request.
8. Periodic reviewing of property inventory control procedures, recommendations for revisions to existing procedures and securing the involvement of University departments in order to achieve adequate internal control of equipment purchases by the most efficient and economical method.

2.3.1.C. Division of Research and Sponsored Programs (RSP)

RSP is responsible for providing the Office of Grants and Contracts Accounting (OGCA) with contract awards which contain information specifically related to acquisition of property based on the awarding agency's guidelines. In addition, this Office will:

1. Facilitate transfer of equipment from other institutions on active grants to CAU with incoming researchers and facilitate transfers on active grants from CAU to other institutions with outgoing researchers (*Requires coordination with Principal Investigators, Grants & Contracts Accounting, & General [Equipment] Accounting prior to the equipment's transfer*). All required signatures must be secured.
2. Ensure (in conjunction with OGA) that all federal markings are removed from equipment and provide appropriate/necessary information to update the Master Inventory File to reflect University ownership in the event the federal government approves title transfer to the University.
3. Review and submit the final property inventory reports to the requesting agency.

2.3.1. D. Principal Investigator (PI)

PI is responsible for ensuring that all federally titled or sponsored funded property is necessary and/or appropriate to support research on the contract/grant under which it was acquired. Federally titled property is not authorized for personal use or gain. In addition, the principal investigator is responsible for:

1. Reporting movement of sponsored program property to the OGA as well as maintaining its care.
2. Verifying all information contained on the final inventory, noting any discrepancies, and making any corrections.

2.3.1.E. Department Administrator / Unit Head

Each University department administrator/unit head is responsible for, and will be held accountable for, equipment as follows:

1. Equipment which is affiliated with that department/unit (through purchase, donation, or transfer) and is located in that department's or unit's space.
2. Equipment which is affiliated with that department/unit but is located in another department's or unit's space.
3. The department/unit in which the equipment is located is responsible for safeguarding such assets and for reporting inventory transactions to the department with which the equipment is affiliated.

The Accountable Equipment Officer for each unit is the department/unit head unless otherwise designated in writing to the OGA. The Accountable Equipment Officer will be responsible for

equipment matters covered by this policy. These responsibilities include, but are not limited to, the following duties:

1. Assisting the Equipment Accountant in locating, accessing, and tagging capital equipment.
2. Verifying capital equipment inventory lists.
3. Reporting to the Equipment Accountant donations or other acquisitions of equipment not processed through the CAU Purchasing or Accounts Payable System.
4. Reporting to the Equipment Accountant of OGA all long-term relocations of capital equipment from one room/building to another. (see Property Transfer Form)
5. Reporting to Equipment Accountant changes in capital equipment affiliation.
6. Assisting in all internal and external equipment audits, and responding to equipment audit findings.
7. Notifying the Office of Public Safety (OPS) immediately regarding lost or stolen property. A report must be filed for all incidents of stolen property and notification provided to Equipment Accountant. The Office of Public Safety must investigate and record on police report the nature of the loss.
8. Completing an Assets Disposal or Transfer Form and submitting to Equipment Accountant all incidents of lost/missing/transfers to another institution/scrapped equipment & equipment no longer needed by department and available to other users or for sale to outside individuals.
9. Enforcing all CAU equipment policies and procedures.
10. Securing equipment properly.

2.3.1.F. Office of Public Safety (OPS)

OPS is responsible for completing documentation surrounding reported missing or stolen property and ensure that the appropriate documentation is reviewed and a properly signed theft report is submitted timely to the OGA.

2.4.0 – Acquisition

2.4.1.A. Acquisition by Purchase

Initially, the item to be purchased must be defined - is it capital equipment or not and, which object code applies? Equipment is purchased on either a paper purchase order requisition form or through the electronic forms system. An official purchase order must be issued by the Purchasing Department for the acquisition of all equipment. Prior to the acquisition of any equipment, the party seeking to purchase such equipment must submit appropriate documentation justifying the need for such an

acquisition. The documentation requires the approval of the parties designated as part of the procurement process as set forth in the University's Policy & Procedures Manual. Any laptops purchased regardless of Sponsored/Federal Property must be tagged by OGA as CAU property.

2.4.1.B. Acquisition by Lease and Lease/Purchase

When an item of equipment is acquired under a lease/purchase agreement the lease is capitalized at the time of acquisition. If a purchase option is not exercised and the lease has been proven to be an operating lease, the ordering department is required to initiate a memo to OGA to prepare a Journal Entry to transfer the expenditure to the appropriate account. If the purchase option is not exercised and the lease has been determined to be a capital lease, the lease is capitalized at the time of acquisition.

2.4.1.C. Acquisition by Fabrication

Purchased parts and/or components (at any cost) used to construct a special purpose apparatus or system will be accounted for under the object code related to the primary equipment. When the fabrication is completed, the item will be tagged and capitalized, if it meets the capitalization policy. A component system is comprised of individual equipment or material items connected together to operate as a system, such as when individual computers and servers are joined together to create a network. Component systems are distinguished from fabricated equipment in that they do not generally require extensive construction or assemblage, as provided by an internal or external shop. When system components are purchased the individual items that cost \$5,000 or more, or a multi-unit acquisition cost of \$50,000 or more must be treated as capital equipment. The individual items that cost less than \$5,000 should be treated as capital equipment when: 1) those items could not operate on a stand-alone basis and 2) they will be included on the same purchase requisition as the other system components or 3) the total acquisition cost of the multi-unit purchase is \$50,000 or more.

2.4.1.D. Acquisition by Trade-in

To trade in an item on an upcoming purchase one must attach a copy of the purchase requisition stating the trade-in involved in the purchase. For accountability purposes, a movable or capital equipment purchase involving a trade-in of an existing piece of University equipment must identify the piece of equipment being traded on the purchase requisition by description and inventory tag number. Items disposed of through the trade-in process can then be deleted by the OGA from the University's property inventory system.

2.4.1.E. Acquisition by Donation (Gift)

Clark Atlanta University is responsible for all art in the art gallery as well as all rare and unique property, however, the University has adopted FASB Statement 116, which gives the University the option to capitalize or to not capitalize their collections. When items are donated to the University, the OGA must receive the following information on any gifts:

- Copies of correspondence from the donor;
- An appraisal or reasonable estimate of market value;
- A memo from the university employee accepting the gift indicating a complete description of the donated item, whether used or new, and the location.

2.4.1.F. Found (Unlisted) Equipment

Custody of “found” equipment is assigned to the user department. The value of the item, if not determinable from Clark Atlanta University records, will be estimated by the OGA and the date found will be used as the date received.

2.5.0 – Records

2.5.1. A.-General

The University must establish and maintain records under the terms governed by the contract or grant. Property records must be maintained inclusive of any and all property maintained or in the possession of subcontractors. The records must be kept in such condition that at any stage of the contract performance, the status of sponsored property can be readily obtained. In addition, the University must provide a means for locating any property item within a reasonable time period. Records must remain current, complete, auditable, and safeguarded. The detail records must be maintained to allow easy identification of items associated with a contract.

2.5.1. B. Development & Maintenance of Equipment Records

The University’s source of maintaining property information is the Master Property Inventory File. The file is very important for three reasons: 1) it is usually the first list document auditor’s request,

2) it is a major source document for many of the University’s periodic reports, and 3) it is the key administrative tool for managing equipment.

For these, as well as other reasons, the accuracy and completeness of recorded data in the Master Property Inventory List File is of utmost importance. To this end, the property files maintained must contain individual records for each item having a unit value of \$5,000 or more, or a multi-unit value of \$50,000 or more and a useful life of one year or more. The Master Property Inventory File must contain for each item the following information:

1. The generic name of item followed by full description of item (e.g., Table - 36”x 42” rectangular brown top w/ single pedestal black leg, or Computer – Dell Pentium, 40 GB, black, w/flat screen monitor).
2. National stock number if furnished by the government or available otherwise.
3. Manufacturer, model or part number.
4. Serial number.
5. Government/Sponsor identification/tag number.
6. Acquisition and disposition document reference and dates.
7. Quantity received & unit price (and unit of measure).
8. Contract Number.
9. Location (Building, Floor, Room #).
10. Disposition.
11. Posting reference (receiving report or invoice #) and date of transaction.

12. Cost & Useful life.
13. Responsible department (Custodial department).
14. Funding source and % of federal ownership.
15. Property Condition (see Exhibit D for codes).

2.6.0 – Management & Physical Control

2.6.1.A. General

The University is required to establish and maintain, in accordance with internal policies, the terms of the contract, grant, or agreement, and/or the property directives of the sponsor, a system of controls in order to protect, preserve, and maintain all property in which the University is accountable. The system may be subject to review and may require corrections or improvements when determined necessary. Authorized individuals of a sponsoring agency shall have access at any reasonable time, to the property records and premises in which property items are located.

2.6.1.B. Receiving

The custodian (Accountable Equipment Officer) department is responsible for receiving equipment. For all sponsor (government)-furnished property, form DD1149 is the document that must accompany shipments of property on Department of Defense contracts. If no document accompanies that shipment, the receiving department must make every effort to obtain the necessary documentation. The receiving of equipment property must be in compliance with CAU 7.4.3 Central Receiving Policy.

2.6.1.C. Inspection

All sponsor-furnished property (government-furnished property/equipment) must be inspected promptly upon its receipt. Any noted visible or external damage must be annotated on the Carrier's waybill at the time of receipt of the shipments. The project director must notify the purchasing department of any damage.

2.6.1.D. Identification

1. Tag
2. Description
3. Ownership (Department, Program, Agency)
4. Date of acquisition
5. Model and serial number
6. Manufacturer/Vendor
7. Purchase order number
8. Cost
9. Funding source
10. Financial account number (Cost center, Fund, Org. and Account)
11. Room location
12. Name of responsible person
13. Building number
14. % Of federal funding used to acquire the equipment
15. NACUBO depreciation code

16. Useful life
17. Disposal date
18. Asset type

2.6.1.E. Care & Maintenance

The custodial department is responsible for the necessary care to maintain the condition of the equipment in order to maximize the useful life of the asset. Areas containing equipment must be kept locked after business hours or at other times when not in use. Special precautionary measures must be taken in the case of high value, portable equipment.

2.6.1.F. Movement of Property

1. **On Campus** - The location of each item of equipment must be recorded in departmental records with OGA acting as the primary control point for all such equipment. Any movement of equipment must be noted within the departmental records and reported to the OGA by submitting a Transfer Form. These actions ensure that an item of equipment can be easily located for inventory or inspection purposes. In addition, the custodial department must notify OGA of any permanent change in location of equipment.
2. **Off Campus** - If equipment (e.g. laptop) is loaned to a faculty member, staff member or student for use at an off-campus location, a loan equipment form must be obtained and signed from the department chairperson, center/institute director, or business manager. The Accountable Equipment Officer must maintain records of all off-campus equipment. The custodial department and the principal investigator/project director is responsible for restricting the utilization of property acquired for use under a specific grant or contract.

2.6.1.G. Consumption of Materials

Consumption is the process of incorporating material into an end item or otherwise consuming it in the performance of the contract. The consumption process consists of three parts: a) issuance of material in reasonable and proper quantities for the work being performed b) actual usage, incorporation or expenditure of material into a higher assembly, end item, or through testing and c) return of any unused portion of the material to stock with the prospect of future use or disposal, dependent upon its condition.

2.6.1.H. Utilization of Property

Federally titled property is provided for use on specific grants and contracts and is not for general use unless specified. The degree of utilization must justify retention beyond the award end date. The principal investigator must advise the RSP, who in turn will notify the sponsoring agency's Federal Property Administrator. Also, any equipment which is no longer required must be reported to OGA, OGCA & RSP.

2.6.1. I. Physical Property Inventories

1. **Periodic Inventories** – Physical verification of Clark Atlanta University capital equipment is required every two years. More frequent verification of equipment may be required in areas and locations where experience has shown unreasonable losses and /or where record

keeping is a concern. The individual designated for property accountability within the departments will coordinate with the OGA and RSP regarding the results of the physical inventory efforts and resolve any unlocated items. The OGA will lead the completion of the initial physical inventory and facilitate the resolution of any variances.

2. **Final Property Inventories** - Once a contract/grant has terminated, the sponsoring agency may require the university to conduct a final physical inventory of all federally titled property or sponsoring agency funded property acquired under the contract as part of the contract closeout procedure.

2.7.0 – Disposition

2.7.1.A. General

Research and Sponsored Programs (RSP), in collaboration with the PI, must notify the granting agency regarding the proposed disposition of all federally titled property. In the event a transfer of property outside of the University is requested, such request must be initiated early enough to obtain all approvals prior to the proposed scheduled move. The approvers must ensure that the transfer is in compliance with OMB Circular A-110.

Title to equipment acquired by the University with Federal funds shall vest in the University, subject to conditions of OMB Circular A-110. When acquiring replacement equipment, the recipient may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to the approval of the Federal awarding agency.

2.7.1.B. Transfers

Equipment that has a data memory function will be required to have the data wiped from the memory prior to any transfer.

1. Transfer Ownership to Another Institution

CAU will transfer property to another institution only upon prior written approval of the University, granting agency and the other institution.

2. Transfer of Principal Investigator to Another Institution

When a University faculty member resigns and moves to another institution, the University is permitted to transfer ownership of property to another institution only upon written approval of the University, granting agency, and the other institution. In addition, the following requirements must be considered in the approval process: a) the property was purchased exclusively by and for a grant, b) the grant is still active, c) the grant agreement legally requires relinquishment of title to property, and d) the grant is legally being transferred to the other institution.

3. Transferring Equipment to Another Active Grant

Equipment may be transferred to another active grant with the written approval of granting agency. Upon written approval, the Office of General Accounting (OGA) and the Office of Grants and Contracts Accounting (OGCA) must be notified via the Transfer Form to facilitate the change in underlying equipment accounting records.

2.7.1.C. Surplus/Excess Property

Equipment that has a data memory function will be required to have the data wiped from the memory prior to any transfer.

1. Sponsored or Federally Titled Property

When sponsored or federally titled property is no longer needed for the contract, it must be screened against the needs of other activities as stipulated in OMB Circular A-110 and EDGAR (U.S Education Department General Administrative Regulations) in the following priority: (1) other activities sponsored by the awarding agency which funded the original project and (2) other activities sponsored by other federal awarding agencies.

Any request for transfer or disposition of excess sponsored property must be submitted to the awarding agency for approval by RSP. The federal awarding agency shall issue disposition instructions no later than 120 calendar days after receiving request. If disposition instructions are not issued within 120 calendar days after the recipient's request, the requestor may sell or transfer the equipment. If the equipment is sold, the requestor will reimburse the federal awarding agency a percentage of the sales proceeds based on its federal participation in the original project.

When the federal awarding agency exercises its right to take title, the equipment shall be governed by the guidelines established for federally owned equipment as denoted in OMB Circular A-110 and EDGAR.

2. University Owned

When a department determines that a University-owned (non-sponsored or federally titled) property item is no longer needed by the department, the following procedures must be followed:

- a. Each department will perform an initial assessment as to the condition of excess property.
 - i.) In the event that the property is broken, obsolete or worn to such degree that it is considered unusable campus wide, the department will submit a Disposal Form to OGA. The OGA will review the Master Property Inventory File and inspect property prior to its removal from department. All disposals must be approved by the Accountable Equipment Officer. The department will then initiate the physical transfer of equipment to surplus campus storage or offsite as approved and documented on Disposal Form.

If the property is computer equipment, printer or copier, the department must contact the Office of Information Technology and Communications (OITC) so that a determination can be made as to its present condition. OITC will advise if the computer equipment can be used in other areas of campus or is considered a disposable item.

- ii.) In the event the property is determined to be usable by another department within the university, the originating department will complete a Transfer Form and submit

form to the OGA. Either department may initiate the physical transfer of equipment between the departments.

If the property is being transferred to surplus campus storage, the originating department will complete a Transfer Form and submit to the OGA. The OGA will inspect property prior to its removal from the department and initiate the physical transfer of equipment to surplus campus storage. The OGA will indicate such transfers in detail property records.

- b. Once property has been delivered to surplus campus storage, unless specially identified/tagged as held by a department, the item will be available for use by any department within the University. Periodically, the University will hold public sales of surplus property. Prior to such sales, a detail inventory of all items (containing description, serial number, etc.) must be verified, and submitted to the OGA. Separate inventory lists must be developed for capital items (tagged) and noncapital items (untagged). The cash received must be indicated beside each item during the sale. The sale proceeds along with the detail inventory listing must be submitted to Office of Student Accounts (Cashier) & OGA. The appropriate adjustments will be made to the detail property records.
- c. The University shall not sell or dispose of sponsored funded or federally titled surplus property without prior written approval from the awarding agency.

2.7.1.D. Lost/Stolen/Damaged/Missing Property

When equipment is determined to be lost, missing or damaged beyond repair or stolen, a Disposal Form must be issued immediately to the OGA. The form must include the description, property number, serial number and location at time of loss or theft. If the item is determined to be stolen, the Office of Public Safety must be informed and a police report filed and a copy of report forwarded to OGA. All federally titled property lost, stolen, damaged or destroyed equipment must be reported immediately to RSP.

2.7.1.E. Lost/Stolen/Damaged/Missing Personal Property

CAU does not accept responsibility for personally owned equipment that is lost or stolen. CAU suggests that individuals who have personally owned equipment on campus take the following precautions to avoid the possibility of its being mistaken for CAU equipment: 1) Mark the equipment for identification of ownership and 2) Provide the department head with a list of personally owned equipment being used for university purpose. Should confusion arise, proof of ownership will lie with the individual, not with CAU.

2.8.0 – Reports

The Office of Grants and Contracts Accounting and Research and Sponsored Programs are responsible for filing the various agency reports. Listed below are property reports that are prepared and submitted to the appropriate sponsor representative by RSP:

AGENCY	FREQUENCY	DEPARTMENT	FORM	PERIOD ENDED	DUE DATE
ONR	Annual	Dept. of Defense	DD Form 1662	Sept	Oct 31
NASA	Annual	NASA	NASA Form 1018	Sept	Oct 31
NIH	EO Project	NIH	Memo	EO Project	EO Project

ONR – Office of Naval Research

NASA – National Aeronautics and Space Administration

NIH – National Institute of Health

2.9.0 – Close-Out/Final Inventory

Equipment that has a data memory function will be required to have the data wiped from the memory prior to any transfer.

2.9.1.A. Close-Out

As part of the closeout process, the University must conduct a final physical inventory of all federal / sponsor-owned property which was acquired under the award. In addition, the principal investigator may request the retention of specific items indicating how the equipment will be used. The principal investigator may be required to return the property to the granting agency or may request that the equipment be transferred to another active award in accordance with OMB Circular A-133 and EDGAR. For equipment transfers, please refer to Section 2.7.1 B Disposition – Transfers for detailed guidance.

The principal investigator must verify all information contained within the final inventory, make any corrections if necessary and note any discrepancies.

2.9.1.B. Final Inventory

Research and Sponsored Programs (RSP) will submit the Final Property Inventory Report to the agency. If required, this report must contain the results of the final inventory and may include a request for transfer of equipment title to the University. In addition, the accounting reports must be adjusted to reflect change in ownership. For equipment transfers, please refer to Section 2.7.1.B Disposition – Transfers for detailed guidance.

2.10.1 – Subcontract Administration

Federally titled property in possession of subcontractors must be maintained in accordance with the requirements stated in Clark Atlanta University's *Property Control System Policies and Procedures Manual*. University subcontractors who control or possess university, government, or sponsor-owned equipment must adequately care for and maintain this equipment and ensure that it is used as authorized by the contract or grant. Appropriate provisions must be included in subcontracts involving University or sponsor-owned equipment.

In addition, the University may establish any of the following:

- A.** The University may survey property control systems at subcontractor facilities at will.
- B.** Subcontractors must inventory University- or sponsor-owned equipment located at subcontractor's facilities once every two years. Result of inventory must be forwarded to sponsoring property coordinator.

Exhibit A

Glossary of Terms

Office of General Accounting	OGA
Office of Grants and Contracts Accounting	OGCA
Office of Information Technology and Communication	OITC
Division of Research and Sponsored Programs	RSP
Office of Public Safety	OPS
Office of Management and Budgets. This is the federal agency that has the overall responsibility for fiscal issues and regulations for the federal government.	OMB
The cost principles for determining costs applicable to grants, contracts and other agreements with Educational institutions are defined by OMB-Circular A-21 and A-110	OMB Circular A-21 and A-110
The provisions governing audits of institutions of higher education and other nonprofit institutions are known as OMB Circular A-133	OMB Circular A-133

Exhibit B

Definitions

Addition	An extension, expansion, enlargement, or accessory to an existing asset
Asset	Any item of real property or capital equipment
Buildings	The cost of building includes the purchase price and/or construction cost of the building shell and its components. Examples of construction costs include but are not limited to building materials, architect fees, building permits, cost of supplies used in construction, site preparation. Construction costs do not include capital equipment contained within building or cost of land.
Capital Equipment	An item of property that is not permanently attached to building or grounds and that has an acquisition cost of \$5,000 or more per unit, or a multi-unit acquisition cost of \$50,000 or more and a useful life of 1 year or longer. Includes furniture, fixtures, vehicles, capital leases, & software.
Capital Improvement Projects	Projects that involve the construction of new facilities, construction of major additions to existing facilities, or construction involving a major change in function of an existing facility.
Capitalization	The process of assessing an asset to determine whether the property has a unit value of \$5,000 or greater, or a multi-unit value of \$50,000 or more and a use life of one year or greater.
Capitalize	To recognize an expenditure or gift as an asset rather than an expense, usually at its present value.
Capitalized Cost	The purchase price of an asset and any cost necessary to prepare the asset for its intended use. Includes assembly, installation, construction, freight, etc., less any discounts. In the event costs are incurred due to work performed by outside contractors, the actual price billed for such work must be capitalized. If work is performed by University personnel, the capitalized cost must include the actual cost of direct labor, material cost and an appropriate overhead factor. Payments for the components and other costs associated with a constructed piece of equipment must be charged to the same object code as the corresponding equipment, and identified with the price of equipment so that all of the associated cost of an assembled piece of equipment can be capitalized in the detail property records.

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7.4.1 Equipment Property Management and Control Policy

Collectibles	Art Objects, displays and museum articles
Excess Property	Property no longer needed by the custodial department but may be used by another department within the University.
Land Improvement	Costs outside the building which are required to make land ready for its intended use. Includes walkways, landscaping, parking lots, tennis courts, athletic fields, fences, curbs, streetlights, and emergency lights, and similar items. Only costs totaling \$5,000 or more are considered for capitalization.
Real property	Includes land, land improvements, building and permanently affixed building improvements.
Renovation	Cost incurred for major building component replacements or improvements to an existing building that extends the useful life, increase its efficiency and/or increase in its value to the University. Only costs totaling \$5,000 or more are considered for capitalization.
Scrap	Inoperable equipment which in its present state has no utility value except for its basic material content.

Exhibit C

Asset Type & Useful Life

Asset Type	Account #	Description	Useful Life
C	7181	Computer	5
E	7182	Copier	10
F	7183	Furniture	10
E	7184	Equipment	10
V	7190	Vehicle	7
S	7195	Software	7
R	7215	Renovation	10
R2	7215	Renovation	25
B	7215	Building	40

Exhibit D

Property Condition Codes

Condition	Explanation
Good	Property that is useable without repairs and most of its utility and useful life remains.
Fair	Property that is useable without repairs, but is somewhat worn or deteriorated and may soon require repairs.
Poor	Property that is useable but is worn or deteriorated to the degree that there remains minimum utility.
Scrap	Property that is inoperable in its present state and has no utility value except for its basic material content.

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Exhibit E

Asset(s) is(are): Transferred**Please use one form per action* Disposed

Originator: _____ Phone #: _____ Date: _____ Date of Purchase: _____
 Grant/Department/Program: _____ Activity _____ Name: _____
 _____ Fund Number: _____ Award _____
 Number: _____ Location: _____

Computer **Equipment** **Furniture**
 Other: _____

Description Manufacturer	Model #	Serial #	Unit Purchase Price	CAU Tag #	Title III Tag #, if applicable

Name: _____ Phone #: _____ Date: _____ New Location: _____
 Grant/Department/Program: _____ Activity Name: _____
 Agency Name: _____ Is Agency Approval Required: No Yes
 If No (Agency Approval Is Not Required), Verification/Approval by RSP is Required:

 If Yes (Agency Approval Is Required): **Attach all supporting documentation of approval.**

Justification for Transfer or Disposal:

By signing below, I certify that the information above has been verified and will notify General Accounting and Grants and Contracts Accounting of any changes in location or use.

I certify that all data has been backed up or is no longer needed. I also understand that I am responsible for this item until notified that it can be transferred or disposed.

 Ownership Assigned To: Print Name
 _____ Date: _____
 Ownership Assigned To: Signature

 Principal Investigator: Print Name
 _____ Date: _____
 Principal Investigator Signature

Comments: