

Section H Property, Plant, and Equipment

NDSU Policy 505

The University shall maintain accurate records of property, plant, and equipment, in accordance with generally accepted accounting principles. The University shall comply with State Board of Higher Education Policy 802.6, part 5.c, which indicates that University's must "Be accountable for all funds, property, equipment and other facilities assigned or provided to the institution to ensure that all are used consistent with laws, policies or other specific requirements;"

All additions, deletions, and transfers of property, plant, and equipment shall be properly authorized. University expenditures for tangible personal property items used actively in university operations that exceed \$5,000 and benefit a period exceeding one year shall be capitalized and inventoried on an annual basis. Library Books will be capitalized in accordance with guidelines issued by the University System.

For other policies related to property, plant, and equipment see:

- a. Section 406 - Surplus Property
- b. Section 700.2 - Taking Equipment Home
- c. Section 700.3 – Personal Use of State Property
- d. Section 400 – General Purchasing Procedures (parts 3 & 4, below)

Relevant Purchasing Policies:

Policy 400 - General Purchasing Procedures

Part 3. Personal property, equipment or supplies under \$10,000 may be purchased at the discretion of the institution. When feasible, informal quotes or proposals should be solicited from more than one vendor. Reasonable steps shall be taken to ensure that qualified North Dakota vendors have an opportunity to compete for the contract.

Part 4. Consulting services and insurance shall be purchased by negotiation, telephone or informal written quote or proposal. When feasible more than one vendor should be requested to submit prices to ensure appropriate competition. Reasonable steps shall be taken to ensure that qualified North Dakota vendors have an opportunity to compete for the contract.

Department Guidelines

1. Equipment Policy and Definition

NDSU has a fixed asset policy that defines equipment as personal property items costing more than \$5,000.00. This cost includes freight and

installation. Items donated to a university department and valued at more than \$5,000.00, must also be accounted for as equipment.

2. Maintaining accurate records

NDSU's Accounting Office centrally maintains these records on HECN's Uniform Accounting System. Departments should maintain a file of the inventory document forms pertaining to each equipment item assigned to their department number.

All department owned items meeting the above definition should be on the university's fixed asset record. *Departments are responsible for providing the NDSU Accounting Office with timely and accurate information to keep the CICS administrative system properly up-to-date.*

Tip:

PageCenter can be used to view a listing of the equipment items assigned to a department.

3. Equipment Addition procedures

University departments must complete the following procedures to inventory an item:

- Affix an NDSU inventory tag to the item. Tags are available from the Accounting Office.
- Fill out the necessary information on an inventory document. Instructions are available from the Accounting Office. Attach the inventory document to the receiving report and submit it to the Accounting Office. When the items purchased are enhancements or attachments to equipment that is already inventoried, the inventory number of the existing item should be written on the receiving report.
- The inventory document will be returned after it is included on the fixed asset records of the University.
- Equipment purchases from Federal funds valued at more than \$5,000.00, must be tagged with a "Property of North Dakota State University-Federal Funds" identification tag. These tags will be provided by the Accounting Office.

4. Equipment Deletion Procedures

Equipment deletions must be reported to the NDSU Accounting Office as soon as possible. To report a deletion the department must retrieve the inventory document from the department file and complete the bottom portion of the form, indicating the reason for the deletion. The document must be approved by the department head.

Stolen equipment should be reported immediately to the Campus Police and the Accounting Office. The Campus Police will complete a stolen property report and a copy should be attached to the inventory document when it is turned into Accounting.

5. Equipment Transfer Procedures

When transferring equipment between departments, the inventory documents need to be forwarded to the department receiving the equipment. A memo or email needs to be sent to the Accounting Office with the following information: item number(s), new department and location.

6. Annual Inventory

To comply with state law, each department is expected to perform an annual inventory of its equipment. The department head will be expected to certify as to correctness of the department's equipment listing. Detailed inventory instructions are sent out each year by the Accounting Office.

Tip:

It is important to only have equipment that is useable on the department's inventory.

7. Taking Equipment home

The university has a policy outlining the instances when it may be appropriate for an employee to take university property to their home for job related reasons.

8. Personal Use of Equipment

The university has a policy prohibiting the personal use of university property.

9. Surplus

The university has a policy indicating how to handle property that is surplus to the needs of the department.

10. Using CICS & PageCenter

There are three CICS on-line screens that may be helpful in tracking certain equipment items. These screens are as follows:

ID# Screen Name

FA70 FIXED ASSETS INQUIRY BY ITEM NUMBER OR SERIAL NUMBER
FA75 FIXED ASSETS TRANSACTION INQUIRY BY ITEM NBR OR SERIAL NBR
FA80 FIXED ASSETS INQUIRY BY REFERENCE NUMBER

Probably the most useful screen is FA70. This screen allows the user to enter the tag (item) number of the equipment item and check on numerous details about the item. Screen FA75 allows the user to inquire on the equipment transaction by either item number or serial number. FA80 allows the user to enter a purchase order number and see what equipment items were added under that number.

In addition to these on-line screens, each department's PageCenter mailbox should include an equipment inventory listing for the department.

11. Internal Control

Periodically, there will be unannounced spot checks by internal auditors, or state auditors, to make sure the equipment items reported on the department's records exist, properly tagged, and on premises.