



POLICY NAME	Fixed Asset Policy	POLICY NO.	BA402
APPROVING BODY	Cabinet/President	VERSION NO.	01
RESPONSIBLE DEPARTMENT	Business Affairs - Accounting Department		
EFFECTIVE DATE	15-DEC-2014	REVIEW/REVISION DATE	01-JUL-2024

PURPOSE:

To provide guidance for the management and control of the university's capital and non-capital assets including its off campus learning centers.

POLICY:

EQUIPMENT/PROPERTY ACQUISITION

1. Procurement of equipment and property should be in accordance with WNMU's Procurement and Reimbursement Policy Statement. The university will tag and track any piece of equipment with a cost of \$1,000 or greater. Any tagged equipment with a cost of \$5,000 or greater will be capitalized and depreciated over its useful life. To properly identify and tag each individual piece of equipment over \$1,000 the Voucher and Purchase Order must itemize each piece of equipment and price them separately as well as clearly identify the Responsible Department/Person and Location of each item.
2. Equipment that is purchased as an improvement or accessory to enhance or extend the useful life of an inventoried piece of equipment is recorded as a "Component of" or "Attached to" the primary piece of equipment in the Fixed Asset Module. This then increases the cost of the item and the capitalization amount in the General Ledger.
3. Equipment that is received as a gift or donation with a cost of over \$1,000 will be added to the inventory list and assigned a permanent tag number. The Responsible Department/Person will notify the Office of Business Affairs with a list of the equipment as well as a description of the equipment or property donated, the donor, location and value.
4. Equipment acquired through a construction contract will be reported to the Office of Business Affairs. The equipment should be listed and priced so permanent tag numbers may be assigned and attached to all equipment over \$1,000.

COST OR VALUE

Equipment acquired through Purchase Orders and Payment of Invoices is recorded in the Office of Business Affairs. The following rules apply:

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All policy approvals are maintained and controlled in the Policy Office. Draft and archived/obsolete revisions are not to be used. Please refer to the WNMU website @ <https://policy.wnmu.edu> for the current version of the policy.

1. Purchase cost if over \$1,000.
2. Any applicable freight charges are capitalized as part of the acquisition cost of the equipment.
3. Installation and assembly costs will be added to the cost of the equipment.
4. Any cash discount should be deducted from the value of the equipment.
5. The value of the equipment is not reduced by a trade-in.
6. Handling and storage costs are not included in the value of the equipment.
7. Throughout the life of the property the cost of the item does not change.

EQUIPMENT IDENTIFICATION

Items that have been identified as inventory able equipment will have an inventory tag number attached and recorded when the invoice is paid. As long as an item is in the control of the university the identification will never change regardless of a change in department/ownership or location.

It is the responsibility of the Office of Business Affairs to record and maintain inventory records and applies inventory tags to the equipment. This function may be delegated to the department claiming ownership when appropriate. The numbered inventory tag will be affixed to the item unless by its nature this is not practical or possible, as in the case of software. If the equipment is an accessory or attached to another piece of equipment and necessary for the operation of that item, it will be recorded as such on the fixed asset record for the original piece of equipment. The inventory tag is affixed to the item near the equipment identification and serial number. Indelible ink or etching may be used directly on the equipment if deemed necessary.

If the inventory tag is removed, obliterated or defaced the equipment shall be marked again with the original tag number.

If component parts of a system have an individual value of over \$1,000 each item will have an inventory number assigned and will be tagged as such. If some or all of the component parts of a system have a value of less than \$1,000, but combined equals more than \$1,000 and are all necessary for the normal operation of the equipment they will be considered one unit.

Identification and marking of equipment less than \$1,000 will only occur when a request is issued to the Office of Business Affairs by the department accountable for the equipment. The responsible department should provide purchasing information so the person responsible for recording the equipment will have the necessary information to establish inventory records properly.

DEPARTMENT RESPONSIBILITIES

Each department has the primary responsibility for the care and maintenance of any equipment that they are accountable for. The location for each item should be noted and movement recorded. If a piece of equipment changes department or building location an Inventory

Transfer/Disposal Form must be filled out and signed by the transferring and the receiving department. The transfer form is then sent to the responsible person in Business Affairs. All equipment should be kept in such a manner that it can easily be located for inventory purposes. Property located off campus requires Vice President approval.

The responsible department shall make sure adequate security is in place for equipment in their possession. Areas containing equipment should be locked when not in use and after business hours with special precautions in place for high-cost portable equipment.

PHYSICAL INVENTORIES

The Office of Business Affairs will annually distribute to each department a detailed listing of assets assigned to their department. Each department must verify that each asset is still physically located in their area and that it is still functional. Any correction should be noted on the listing provided and returned to the Business Office by the due date noted at the time of distribution.

PERSONAL USE OF PROPERTY

Personal use of property owned and in the custody of the University, by staff and faculty, is not permitted.

MOTOR VEHICLES

University owned vehicles will be registered by the Purchasing Agent at the time of possession. When received back from the Motor Vehicle Department, the original registration is kept on file in the Office of Business Affairs, a copy of the registration and the license plate are then forwarded to the Motor Pool to be placed in/on the vehicle. The vehicle may be operated in the meantime on the temporary license furnished by the vendor.

The property tag number assigned to the vehicle shall be the license plate number. In the case of damage or loss to the plate a replacement will be obtained by the Purchasing Agent.

DISPOSITION OF EQUIPMENT

The disposition of obsolete, worn-out or unusable equipment owned by the University is governed by section 2.2.2.10 of the New Mexico State Auditors' Office Rules and WNMU's policy regarding the disposition of computer hardware.

A Disposal/Transfer form must be filled out before any property is moved. This form will be signed by both the department transferring the property and the department receiving the property. Computer hardware that is obsolete or unusable will be "sanitized" by a representative from the Information Technology Department with written certification that this has been completed before any hardware will be moved for final disposition.

Approval must be obtained from the Board of Regents in order to dispose of any tagged equipment. In addition, for any equipment valued \$5,000 or greater with Board of Regents

approval to dispose a written notification must be submitted to the State Auditors' Office at least thirty days before final disposition.

Methods of disposal include sale by auction, donation to another state agency, and destruction at the landfill or any other method as deemed necessary. Computer hardware shall be destroyed or disposed of in an environmentally safe manner. In the case of hardware that has been sold or donated written assurance will be provided that the hardware will be disposed of in an environmentally safe manner.