

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) that extends the useful life of the structure.

*Also see "Is This A Fixed Asset Purchase?" and "Capitalization Decision Chart" on FA 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.

To ensure WFU assets are properly safeguarded, controlled and disposed.

To ensure adherence with GAAP (Generally Accepted Accounting Principles), applicable federal and state laws, WFU policies and procedures and private granting agencies regulations.

To promote consistent accounting treatment across WFU.

Who is involved in the inventory process?

Procurement: Ensures PO coding for capital assets is correct, first contact concerning asset movement, surplus custodians, maintains WFU leases, forwards asset movement notifications and capital lease information to Fixed Asset Accountant.

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

Department Property Administrator (DPA): Partners with 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, assists in periodic physical inventory counts.

Policy & Procedures

Everyone involved in asset movement should be familiar with the Fixed Asset Policy & Procedures document. The document is located on the FA 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: These need to be reported to Advancement office. Advancement is responsible for obtaining the value of the donation and sending an acknowledgement to the donor. DPA will notify Fixed Asset Accountant of any donations having a fair market value of \$5,000 or more. These donations will be considered a WFU capital asset and will be added to the fixed asset system and tagged for inventory purposes.

New faculty transferring equipment to WFU: The Fixed Asset Accountant should be notified when new faculty/staff are transferring 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.

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Employee owned equipment: should be reported to Campus Police via the 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, buildings, building improvements and renovations, 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 preformed 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 or sensitivity (e.g. lenses, microscopes and scoreboards). Tagging 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 unless absolutely necessary. Try to tag asset in front upper right hand corner or near serial number, if possible. Make sure tag is placed 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 will include corresponding documents describing the asset (e.g. serial number, exact location of the asset (see Location Cheat Sheet), invoice copy, purchase order and/or purchase requisition).

Disposals, Transfers and Impairments: The Fixed Asset Update Form is completed, signed by the appropriate department head or DPA, and sent to Procurement. After Procurement determines whether or not the asset can be placed into surplus inventory, the form is forwarded to the Fixed Asset Accountant, who will update the asset record. International locations will dispose of assets themselves and send the completed Fixed Asset Update form to the Fixed Asset Accountant, who will update the asset record.

When an asset is sold, a Bill of Sale must be completed by Procurement and attached to the Fixed Asset Update Form before sending it to the Fixed Asset Accountant.

When an asset is 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 documents to the Fixed Asset Update Form before sending to the Fixed Asset Accountant.

When an asset is traded-in, 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 Procurement, 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 make sure there are no restrictions on the asset before donating the items.

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

Inventory: After the first few rounds of the inventory counts, which began in January 2010, a physical inventory count will 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 Non-tagable binder. Physical existence of 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. Verification letters or email will be used for inventories of remote properties, such as Fancy Gap and Casa Artom. An inventory schedule has been developed by the Fixed Asset Accountant and the DPA for each area and can be found on the Fixed Asset web page. About two weeks 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 non-tagable binder and off-campus equipment records are up-to-date.

Asset Records: DPAs 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. DPAs will be responsible for keeping records of asset movement in their area by using the available forms including: Equipment Loan Authorization, Equipment Location Record, Off-campus Equipment Verification Worksheet and Non-tagable binder.

Reporting: Reports are being developed for the following purposes:
Asset Acquisitions, Disposals, Physical Inventory, Reconciliation Discrepancies, and other reports 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 forms. 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. Copies of these forms should be sent to the Fixed Asset Accountant. All DPAs are required to attend DPA training sessions. New DPAs will be trained at one-on-one sessions as they join the group. Periodical DPA training sessions will be held to refresh memories and share new information.

Contact Information:

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Fixed Asset Web Page:
http://www.wfu.edu/fas/fixed_assets/index.html

All forms and other information are located on the Fixed Asset Web Page.