Table of Contents

Introduction ................................................................................................................................ 1

Capital Asset Definitions ............................................................................................................ 1

Capital Asset Categories:
  Land .................................................................................................................................. ........... 2
  Land improvements............................................................................................................. .2
  Buildings and building improvements................................................................................... 3
  Infrastructure ................................................................................................................ ........ 4
  Construction in progress ...................................................................................................... 4
  Historical collections and works of art.................................................................................. 5
  Moveable equipment and furniture....................................................................................... 5
  Library books and materials ................................................................................................. 6

Capitalization Thresholds ........................................................................................................... 6

Capital Asset Depreciation ......................................................................................................... 7

Moveable Equipment Procedures:
  General ....................................................................................................................... ......... 9
  Additions ..................................................................................................................... ....... 10
  Changes / Moves ............................................................................................................... 10
  Deletes ....................................................................................................................... ........ 11
  Reconciliation ................................................................................................................ ..... 11
  Inventory Report Ledgers ................................................................................................... 11
  Equipment inventory numbers ........................................................................................... 12
  Type of equipment inventory tag ....................................................................................... 12
  Property inventory reports ................................................................................................. 12
  Home use of university equipment .................................................................................... 12

Summary of recording assets to the general ledger ................................................................ 13

Exhibits:
  Exhibit A – Move and Change Accountability Report and instructions .............................. 14
  Exhibit B – Release of Surplus Property and instructions.................................................. 15
  Exhibit C – Property Accounting Control Total ................................................................. 17
  Exhibit D – Sample University Property Tag and Federal Dollar Sticker ........................... 18
  Exhibit E – Home Use of University Equipment Form and instructions ............................. 19
  Exhibit F – Project Request Form ...................................................................................... 21
  Exhibit G – Request for Project Funding and/or Account Code ............................................ 22
Introduction

The Office of the Controller is responsible for the management of all capital assets for The University of Akron (The University). The recording and reconciliation of moveable equipment is operated under the supervision of Property Accounting. The recording of all other assets and the calculation of depreciation is handled by General Accounting.

Reporting requirements have been established by the Governmental Accounting Standards Board (GASB) Statements No. 34 Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments, and as amended by GASB Statement No. 35, Basic Financial Statements and Management’s Discussion and Analysis for Public Colleges and Universities. These standards were adopted by The University during fiscal year 2002.

This manual includes definitions and other guidelines used for recording capital assets for The University’s financial presentations. This manual and other asset forms are available on the Office of the Controller’s website at www.uakron.edu/controller.

Capital Asset Definitions

Capital assets are real or personal property that have a value equal to or greater than the capitalization threshold for the particular classification of the asset and have an estimated life of greater than one year.

Assets which are purchased, constructed, or donated that meet or exceed established capitalization thresholds will be recorded by The University.

Assets are recorded at their historical costs, which include the vendor's invoice (plus the value of any trade-in or allowance, if reflected on the invoice), plus initial installation cost (excluding in-house labor), modifications, attachments, accessories or apparatus necessary to make the asset usable and render it into service. Historical costs also include ancillary charges such as freight and transportation charges, site preparation costs, and professional fees.

Donations are voluntary contributions of resources to a governmental entity by a non-governmental entity. Donations are reported at fair value at the time of acquisition plus ancillary charges, if any. Fair value equals the amount at which an asset could be exchanged in a current transaction between willing parties.

Leased equipment should be capitalized if the lease agreement meets any one of the following criteria:

- The lease transfers ownership of the property to the lessee by the end of the lease term
- The lease contains a bargain purchase option
- The lease term is equal to 75 percent or more of the estimated economic life of the leased property
- The present value of the minimum lease payments at the inception of the lease equals at least 90 percent of the fair value of the leased property.

Leases that do not meet any of the above requirements should be recorded as an operating lease.

Assets will be reported on financial presentations at net book value, which is the asset's historical cost less the accumulated depreciation.
Capital Asset Categories

The University reports the following capital assets:

- Land
- Land improvements
- Buildings and building improvements
- Infrastructure
- Construction in progress
- Historical collections and works of art
- Moveable equipment and furniture
- Library books and materials

Land

Land is the surface of the earth, which can be used to support structures, and may be used to grow grass, shrubs, and trees. Land is characterized as having an unlimited life. Donated land should be treated like other donated assets. Site improvements (other than buildings) that prepare land for its intended use are added to the cost of the land.

Examples of expenses to be included in the cost of land are:

- Purchase price or fair market value at time of gift
- Commissions
- Professional fees (title searches, architect, legal, engineering, appraisal, surveying, environmental assessments, etc.)
- Land excavation, fill, grading, drainage
- Demolition of existing buildings and improvements (less salvage)
- Removal, relocation, or reconstruction of property (railroad, telephone and power lines)
- Interest on mortgages accrued at date of purchase
- Accrued and unpaid taxes at date of purchase
- Right-of-way
- Other costs incurred in acquiring the land

Land improvements

Land improvements are assets, other than buildings, which are built, installed, or established to enhance the quality or facilitate the use of land for a particular purpose.

Examples of expenses to be included in the cost of land improvements are:

- Fencing and gates
- Landscaping
- Parking lots/driveways/parking barriers
- Outside sprinkler systems
- Recreation areas and athletic fields (including bleachers)
- Paths and trails
- Swimming pools, tennis courts, basketball courts
- Fountains, plazas, and pavilions
Buildings and building improvements

A building is a structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable.

Building improvements are capital events that materially extend the useful life of a building, increase the value of a building, or both. A building improvement should be capitalized if the improvement is at the capitalization threshold. For a replacement to be capitalized, it must be a part of a major repair or rehabilitation project, which increases the value, and/or useful life of the building. A replacement may also be capitalized if the new item/part is of significantly improved quality and higher value compared to the old item/part such as complete replacement of an old roof with a new roof. Replacement or restoration to original utility level will not be capitalized. Determinations must be made on a case-by-case basis.

Any maintenance-related expenses or repairs which do not increase the value of the building will be expensed when it occurs and will not be capitalized as an asset.

Examples of expenses to be included in the cost of buildings are:

- Purchased Buildings
  - Original purchase price
  - Expenses for remodeling, reconditioning or altering a purchased building to make it ready to use for the purpose for which it was acquired
  - Environmental compliance (i.e., asbestos abatement)
  - Professional fees (legal, architect, inspections, title searches, etc.)
  - Payment of unpaid or accrued taxes on the building to date of purchase
  - Cancellation or buyout of existing leases
  - Other costs required to place or render the asset into operation
- Constructed Buildings
  - Completed project costs
  - Interest accrued during construction
  - Cost of excavation or grading or filling of land for a specific building
  - Expenses incurred for the preparation of plans, specifications, blueprints, etc.
  - Cost of building permits
  - Professional fees (architect, engineer, management fees for design and supervision, legal)
  - Costs of temporary buildings used during construction
  - Unanticipated costs such as rock blasting, piling, or relocation of the channel of an underground stream
  - Permanently attached fixtures or machinery that cannot be removed without impairing the use of the building
  - Additions to buildings (expansions, extensions, or enlargements)
Buildings and building improvements (continued)

Examples of expenses to be included in the cost of building improvements are:

- Conversion of attics, basements, etc., to usable office, research or classroom space
- Structures attached to the building such as covered patios, garages, enclosed stairwells, etc.
- Installation or upgrade of heating and cooling systems
- Original installation/upgrade of wall or ceiling covering such as carpeting, tiles, paneling, or parquet
- Structural changes such as reinforcement of floors or walls, installation or replacement of beams, rafters, joists, steel grids, or other interior framing
- Installation or upgrade of window or door frame, upgrading of windows or doors, built-in closet and cabinets
- Interior renovation associated with casings, baseboards, light fixtures, ceiling trim, etc.
- Exterior renovation such as installation or replacement of siding, roofing, masonry, etc.
- Installation or upgrade of plumbing and electrical wiring
- Installation or upgrade of phone or closed circuit television systems, networks, fiber optic cable, wiring required in the installation of equipment (that will remain in the building)
- Other costs associated with the above improvements

Infrastructure

Infrastructure assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Infrastructure assets are often linear and continuous in nature. The University’s current infrastructure subsystems are, but are not limited to:

- Electrical substations
- Chilled water storage tank
- Carroll Street duct work
- Fiber-optic cable networks (telecommunications)

An infrastructure improvement should be capitalized if the improvement is at the capitalization threshold. Assets to be included as an infrastructure improvement should follow the same basic guidelines as a building improvement listed previously.

Construction in progress

Construction in Progress is the economic construction activity status of buildings and other structures, infrastructure, additions, alterations, reconstruction, installation, and maintenance and repairs, which are substantially incomplete. Construction in progress assets should be capitalized to their appropriate capital asset categories upon the earlier occurrence of execution of substantial completion contract documents, occupancy, or when the asset is placed into service.
**Historical collections and works of art**

Historical collections and works of art are collections or individual items of significance that are owned by The University which are not held for financial gain, but rather for public exhibition, education or research in furtherance of public service. Collections or individual items are protected and cared for, or preserved, and subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

Examples of expenses to be included in the cost of historical collections are:

- Collection of rare books, manuscripts
- Maps, documents, and recordings
- Works of art such as paintings, sculptures, and designs
- Artifacts, memorabilia, exhibits
- Unique or significant structures

**Moveable equipment and furniture**

Moveable equipment and furniture are moveable tangible assets to be used for operations, the benefits of which extend beyond one year from date of acquisition and rendered into service. Improvements or additions to existing equipment that constitute a capital outlay or increase the value or life of the asset, which meets or exceeds established capitalization thresholds, should be capitalized and recorded as an addition of value to the existing asset.

Examples of expenses to be included in the cost of moveable equipment and furniture are:

- Original contract or invoice price
- Freight charges
- Import duties
- Handling and storage charges
- In-transit insurance charges
- Sales, use, and other taxes imposed on the acquisition
- Installation charges
- Charges for testing and preparation for use
- Costs of reconditioning used items when purchased
- Parts and labor associated with the construction of equipment

Expenses for extended warranties and maintenance agreements, which can be separately identified from the cost of the equipment, should not be capitalized.

The following special purpose equipment or furnishings, semi-permanently attached to the building, and not normally considered moveable, will not generally be capitalized:

- Library and storage shelving
- Carpets
- Curtains w/attaching hardware
- Built-in storage units or mail boxes
- Chalk boards, writing boards or projection screens
- Coat rack – attached to wall (does not include coat trees)
- Counter cabinets and mail stations
- Fire extinguishers
- Water fountains
Library books and materials

Library books and materials are generally literary compositions bound into separate volumes and identifiable as separate copyrighted units. Library reference materials are information sources other than books which include journals, periodicals, microforms, audio/visual media, computer-based information, manuscripts, maps, documents, and similar items which provide information essential to the learning process or which enhance the quality of academic, professional, or research libraries. Changes in value for academic, professional, or research libraries may be reported on an aggregated net basis.

Examples of expenses to be included in the cost of library books and materials are:

- Invoice price
- Freight charges
- Handling
- In-transit insurance charges
- Binding
- Reproduction and like costs required to place assets in service, with the exception of library salaries

Capitalization Thresholds

Assets are recorded if they meet or exceed established capitalization thresholds. Capitalization thresholds for The University are as follows:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>Capitalize all</td>
</tr>
<tr>
<td>Land improvements</td>
<td>$75,000</td>
</tr>
<tr>
<td>Buildings</td>
<td>$75,000</td>
</tr>
<tr>
<td>Building improvements</td>
<td>$75,000</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$75,000</td>
</tr>
<tr>
<td>Historical collections and works of art</td>
<td>$5,000 (^1)</td>
</tr>
<tr>
<td>Moveable equipment and furniture</td>
<td>$5,000 (^1)</td>
</tr>
<tr>
<td>Library books and materials</td>
<td>Capitalize all</td>
</tr>
</tbody>
</table>

\(^1\) The capitalization threshold prior to July 1, 2004 was $1,500.

All property valued below these thresholds will be controlled solely by the Department responsible.

The University capitalizes interest on construction projects until substantial completion of the project. Capitalized interest is amortized on the straight-line basis over the estimated useful lives of such assets. The University applies Statement of Financial Accounting Standards No. 62, Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants. This statement requires capitalization of interest cost of the borrowings less interest earned on investment of the bond proceeds from the date of the borrowing until the assets constructed from the bond proceeds are ready for their intended use.
Capital Asset Depreciation

Depreciation is computed using the straight-line method, half-year convention, over the estimated useful life of the asset. The annual depreciation is calculated by taking the historical cost, less any residual value, and dividing by the estimated life. One half of the annual depreciation is expensed in the first year, regardless of the actual purchase date. If an asset is deleted prior to the end of its estimated life, one half of the annual depreciation will be expensed in the year it is deleted to determine the carrying value.

When capital assets are sold, or otherwise disposed of, the historical cost of such assets and any accumulated depreciation are removed from asset accounts and any gain or loss on disposal is recognized. The gain or loss on disposal is calculated by taking the carrying value (historical cost less accumulated depreciation) and subtracting any proceeds from the sale.

A gain or loss must be recognized in the financial report when:

- Cash is exchanged and the amount paid does not equal the net book value of the asset.
- Cash is not exchanged and the asset is not fully depreciated or has a residual value.

A gain or loss is not reported when:

- Cash exchanged equals the net book value and the asset does not have a residual value.
- Cash is not exchanged and the asset is fully depreciated.

Estimated useful lives are as follows:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Estimated Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land improvements</td>
<td>25 years</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>40 years</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>20 years</td>
</tr>
<tr>
<td>Moveable equipment and furniture</td>
<td>5 to 15 years</td>
</tr>
<tr>
<td>Library books and materials</td>
<td>10 years</td>
</tr>
</tbody>
</table>

See the next page for a breakdown of estimated life by equipment category.

Land, historical collections and works of art are deemed to be inexhaustible and are not depreciated. Construction in progress is not depreciated until the asset is put into service.

To maintain orderly accounting records, land improvements and library books and materials will be deleted after they have been fully depreciated.

GASB Statement No. 34 provides for an alternative method for depreciation of infrastructure assets. Only infrastructure assets that comprise a network or subsystem of a network can be reported using the modified approach. The University will use the straight-line method described above and will not elect to use the modified approach for its infrastructure assets.
The following table provides a breakdown of moveable equipment by the equipment category used in the Property Accounting system:

<table>
<thead>
<tr>
<th>Equipment Category</th>
<th>Equipment Description</th>
<th>Estimated Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADMINISTRATIVE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>160</td>
<td>Office (miscellaneous)</td>
<td>15</td>
</tr>
<tr>
<td>161</td>
<td>Office Furniture</td>
<td>15</td>
</tr>
<tr>
<td>162</td>
<td>Office Machines</td>
<td>10</td>
</tr>
<tr>
<td>163</td>
<td>Computers</td>
<td>5</td>
</tr>
<tr>
<td>164</td>
<td>Software</td>
<td>10</td>
</tr>
<tr>
<td>165</td>
<td>Typewriters</td>
<td>10</td>
</tr>
<tr>
<td>167</td>
<td>Facsimile Unit</td>
<td>10</td>
</tr>
<tr>
<td>168</td>
<td>Copiers</td>
<td>10</td>
</tr>
<tr>
<td>169</td>
<td>Printers/Scanners</td>
<td>10</td>
</tr>
<tr>
<td>COMPUTER CENTER</td>
<td></td>
<td></td>
</tr>
<tr>
<td>170</td>
<td>Data Processing</td>
<td>10</td>
</tr>
<tr>
<td>171</td>
<td>Computer Systems</td>
<td>10</td>
</tr>
<tr>
<td>172</td>
<td>Computer Software</td>
<td>10</td>
</tr>
<tr>
<td>173</td>
<td>Computers</td>
<td>10</td>
</tr>
<tr>
<td>ACADEMIC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>190</td>
<td>Education &amp; Recreation (miscellaneous)</td>
<td>10</td>
</tr>
<tr>
<td>191</td>
<td>Computers</td>
<td>5</td>
</tr>
<tr>
<td>192</td>
<td>Microcomputers</td>
<td>5</td>
</tr>
<tr>
<td>193</td>
<td>Software</td>
<td>10</td>
</tr>
<tr>
<td>194</td>
<td>Typewriters</td>
<td>10</td>
</tr>
<tr>
<td>195</td>
<td>Research</td>
<td>10</td>
</tr>
<tr>
<td>196</td>
<td>Lab Furnishings</td>
<td>10</td>
</tr>
<tr>
<td>197</td>
<td>Federal Dollars</td>
<td>10</td>
</tr>
<tr>
<td>199</td>
<td>Printers/Scanners</td>
<td>10</td>
</tr>
<tr>
<td>MISCELLANEOUS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>150</td>
<td>Food Handling</td>
<td>15</td>
</tr>
<tr>
<td>151</td>
<td>Appliances (Electric, Gas)</td>
<td>15</td>
</tr>
<tr>
<td>180</td>
<td>Housekeeping</td>
<td>10</td>
</tr>
<tr>
<td>181</td>
<td>Furniture (Dorms, Student Union)</td>
<td>10</td>
</tr>
<tr>
<td>230</td>
<td>Agriculture &amp; Gardening</td>
<td>10</td>
</tr>
<tr>
<td>280</td>
<td>Building Maintenance</td>
<td>10</td>
</tr>
<tr>
<td>370</td>
<td>Motor Vehicle (on road)</td>
<td>10</td>
</tr>
<tr>
<td>380</td>
<td>Motor Vehicle (off road)</td>
<td>10</td>
</tr>
<tr>
<td>500</td>
<td>Mfg &amp; Materials Handling</td>
<td>10</td>
</tr>
<tr>
<td>550</td>
<td>Antique Items</td>
<td>0</td>
</tr>
<tr>
<td>570</td>
<td>Library Collections (Books &amp; Periodicals)</td>
<td>10</td>
</tr>
<tr>
<td>990</td>
<td>Other (Radios, Telecomm equipment, etc.)</td>
<td>10</td>
</tr>
</tbody>
</table>

The recording of assets other than equipment and historical collections are currently performed using Excel spreadsheets and are not in the Property Accounting system. Therefore, no categories are available for those assets. All depreciation schedules are in Excel.
Moveable Equipment Procedures

General

Through these procedures a perpetual inventory is maintained of The University's moveable equipment and furniture. The objective is to provide a detail file of equipment that support the dollars recorded in the general ledger of the financial accounting system. The information captured on the Property Accounting file for each asset is as follows:

- **Tag number**: Coincides with property tag affixed to the asset
- **Name of asset**
- **Description of asset**
- **Cost**
- **Acquisition code**: New / used
- **Estimated life**
- **Category code**: Used to determine depreciation group
- **Date acquired**
- **Mfg serial number**
- **Purchase order number**
- **Building number**
- **Room number**
- **Branch-dept**: Assignment of accountability
- **Account distribution**: Source of funding for purchase

This procedure outlines general and routine practices and methods. Specific questions should be directed to Property Accounting for clarification, judgment, and exception decision.

Location reporting may vary between different types of equipment items.

A. Equipment which is normally used day after day in the same location or office has its location reported by building and room number. This is the standard condition and preferred method.

B. The location of equipment normally moved from place to place for regular use by a single department is reported by building, and floor if possible. This is an exception, and applies to laboratory equipment which may be rotated to allow expanded utilization. The designated department is the single user of the equipment.

C. Equipment which is expected to be shifted and moved between various buildings and building locations for indefinite periods of time to be used by various departments is assigned to a department which exercises control on a campus-wide or regional basis. The location cannot be reported specifically for the individual pieces of such equipment. Location may or may not be reported. Location, if reported, may be reported by building, or building and floor if possible. The controlling department is likely not the user of this property. This kind of property may be media equipment for example, and assigned to the Media Service Department for control and allocation where needed. The exception is the least desired, and control is much more difficult.
Property Accounting is responsible for assigning the property tag number to each item of accountable moveable equipment, and attaching the property tag to the asset. This is normally done after the equipment is in location and has been accepted by the department which issued the purchase requisition. In certain cases the attachment of the tag may be delegated to a laboratory assistant, but will be under the immediate control and supervision of Property Accounting personnel. The tag number and other pertinent descriptive and/or location information as noted earlier are entered into the Property Accounting file in the MVS system. In cases where the tag cannot be physically attached to the equipment, a number will be assigned to that item and the tag affixed to the Property Accounting documentation. In cases of computer related assets a person from Information Technology Department assists in identifying computer purchases that need to be capitalized, tagged and added to Property Accounting file. Through a special financial accounting system query, equipment purchases acquired with federal dollars are identified. These assets at the time when property tag is affixed has also a red sticker placed on the item indicating asset should not be disposed of before contacting Property Accounting. This red sticker designation began during fiscal year 2003-04.

**Additions**

Additions to the Property Accounting file are identified by running a financial accounting system query. Equipment purchases are coded by the Purchasing Department within the 6600 Moveable Equipment budget pool. The Property Accounting clerk will review the charges to determine if they have been correctly coded as equipment. If purchase is determined to be equipment, a tag (or tags) is assigned and descriptive information entered into Property Accounting file. Inappropriate charges to the equipment budget pool are recoded by the Property Accounting clerk through either an Accounts Payable journal voucher or a General Ledger journal entry.

At fiscal year end the following additional tag assignments are made:

- For books and library materials, three tags are assigned. One tag is each assigned for Akron-Bierce, Akron-Law Library, and Wayne College Library. The source is the total amount charged to the financial accounting system in budget pool 6700, but does not include Electronic library materials (6703), Law books-Cont(Temp) (6712), and Law electronic materials (6716).

- For lease purchased assets, all new purchases listed on account clerk’s yearend lease purchased worksheets

- For gift or donated equipment, they are capitalized at value listed on Office of Development logs.

**Changes / Moves**

A “Move and Change Accountability Report” form is used to track transfers of assets between departments. A copy is sent to Property Accounting for updating the property file. See Exhibit A.
Deletes

A “Release of Surplus Property” form is completed for obsolete, worn, and broken equipment which is being scrapped by the department. See Exhibit B. Equipment is transferred to Purchasing Department’s surplus property location. In rare cases the equipment may be utilized by another department. If equipment is scrapped, traded or sold, The University’s tag must be removed and sent to Property Accounting. Equipment reported as traded-in, scrapped, sold, or stolen is recorded on annual deletion report and removed from Property Accounting file. Total of report is balanced to total deletions made to Property Accounting file. A journal entry is made in the financial accounting system for the total of the deletion report to remove the assets from the general ledger.

Property Accounting must be notified prior to disposal of equipment purchased with federal dollars (as of FY2003-04, equipment identified with a red sticker). Federal guidelines will need to be reviewed at that time concerning proper procedure for disposal of the equipment.

Reconciliation

The Property Accounting file in the MVS system is balanced monthly to the general ledger in the financial accounting system. All dollar changes in the Property Accounting file made during a one month period are related back to the general ledger and clearly outlined on the one page “Property Accounting-Control Total” form. See Exhibit C.

Inventory Report Ledgers

There are two types of Report Ledgers:

Ledger A  Printed at fiscal year end – Details supporting documentation which balances to audited financial report. The report is in property tag number sequence.

Ledger B  Printed at end of December – Sent to departments to verify accuracy of property file. An electronic file will also be made available to departments having very large inventories.

The purpose of the annual inventory confirmation by departments is:

1. Update equipment inventory ledgers for each accountable department.
2. Lists to allow accountable managers to check and confirm their equipment.
3. A means to detect errors in reporting accountability and location and their revisions.
4. A means to check the pending files of transfer (pink) and receipt (green) copies of the “Move and Change Accountability Report” for transactions during the past 6 months.
5. A procedure to detect surplus equipment which can be turned into Central Stores. This will also assist in locating property items reported as missing by other departments.
6. Each department should check its file of green and pink copies of the “Move and Change Accountability Report” forms to assure that the newly published Inventory Report Ledger accurately reports equipment inventory and location according to the condition of accountability.
**Equipment inventory numbers**

Equipment inventory numbers run in numerical sequence.

A. The number sequence for University owned, Plant Fund Group, equipment starts with 0000001 and ends with 6999999.

B. The number sequence for Agency Fund property starts with 7000001 and ends with 9999999. This series designation is no longer used.

Inventory number tags are affixed in prescribed location for each major type of equipment. Some property items will not have an inventory number tag affixed. This is the case where the value or utility of the item is reduced or impaired if a tag is affixed. An example might be a painting or an item too small to accept a tag. In these cases where the tag is not actually affixed to the time, the tag is affixed to the Property Accounting documentation.

**Type of equipment inventory tag**

The equipment inventory tag must have these characteristics:

A. Metal and permanently affixed  
B. Indented or engraved so numbers cannot be defaced, altered, or painted out.  
C. Economical to purchase and attach  
D. Safe without protrusions  
E. Distinctive so as not to be confused with other tags  
F. Attractive enough to mount in prominent positions

Equipment purchased with federal dollars as of FY2003-04 will also have a heavy duty red sticker applied. See Exhibit D.

**Property inventory reports**

Property Inventory Reports are printed annually and are used to request updated information. Two copies of the report are issued to each accountable department to confirm accuracy of reported property assignment. The department should note any changes (room #’s, serial # corrections etc.) additions, deletions, have their department head sign the report, and return copy to Property Accounting. The second copy is retained by the department to track necessary updating throughout the year. Property Accounting updates the property file and retains the signed copy for audit purposes. In addition to the printed report, departments having very large property inventories are supplied an electronic version of their report.

**Home use of university equipment**

Employees who need to take university equipment home to work at home must complete a “Home Use of University Equipment” form. See Exhibit E. This form should be completed regardless of the dollar value of the equipment being transported home. Because the University equipment dollar threshold is $5,000, equipment taken home for home use often will not have a University property tag. For this reason, it is critical that all descriptive information about the equipment is completed accurately. As the instructions at the bottom of the form indicate, all copies of the form are to be sent to Property Accounting with the exception of the green copy. The green copy should be sent to Property Accounting upon the return of the equipment.
**Summary of recording assets to the general ledger**

Purchases of equipment follow the normal University purchasing guidelines. Before the start of a plant fund project, a “Project Request Form” is generally requested either by Capital Planning and Facilities Management or the Physical Facilities Department. The purpose of this form is to determine if funding will be available for the project. See Exhibit F. Once a project has been approved a “Request for Project Funding and/or Account Code” form is completed, signed, and sent to the Controller’s Office. See Exhibit G. A sequential number is assigned to this form by the Controller’s Office and the form is forwarded to accountant to assign a financial accounting system account number. No spending on the project can occur until the account number is assigned and a budget is entered.

The majority of plant projects are assigned a sub ledger 7 plant fund account (7-72XXX). The source of funding for the project is identified in the chartfield “Class”. Sources of funding currently in the table are:

- PFAPP  Plant Fund-State Appropriation
- PFAUX  Plant Fund-Auxiliaries
- PFBL  Plant Fund-Billable/Gift Acct
- PFDT1  Plant Fund-Debt Notes 2002A
- PFDT2  Plant Fund-Debt Bond 2002
- PFDT3  Plant Fund-Debt Bond 2003
- PFDT7  Plant Fund-Debt Bond 97
- PFDT9  Plant Fund-Debt Bond 99
- PFINT  Plant Fund-Internal Financing
- PFOTH  Plant Fund-Other
- PFUNI  Plant Fund-University Funds
- PFWYN  Plant Fund-Wayne

Each plant project (7-72XXX) is categorized as either a project to be capitalized or expensed. A project that is expensed is expensed in the fiscal year the expenses occur. A project that is capitalized becomes a part of Construction in Progress (CIP) until the project is completed and asset is placed into service. Equipment may remain in CIP if it is part of a new building that has not been placed into service. The selection of projects that will be capitalized is based on the criteria outlined earlier. Each project, however, is reviewed individually. Expenses in other funds may also be capitalized. This situation would arise when funds in a general fund or a restricted account have been committed to assist with the cost of a project. These types of expenses are identified by the four digit chartfield “Account” that is assigned to the expense.

- 66XX  Equipment-all funds
- 67XX  Library materials-all funds
  except 6703 Electronic library materials
  6712 Law books-cont(temp)
  6716 Law electronic library materials
- 6501  Lease purchased equipment-dollars from yearend worksheet
- 68XX  Plant expense to capitalize-all funds except fund 7, plant
  Fund 7 plant is reviewed on a project basis

Investment in plant balances in the general ledger are adjusted at the end of each fiscal year. CIP is adjusted based on the end of year status of projects.
Exhibit A

Front

Move and Change Accountability Report

<table>
<thead>
<tr>
<th>PROPERTY TAG NUMBER</th>
<th>ITEM</th>
<th>FROM</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PERSON RELEASEING EQUIPMENT

FROM: Print clearly and firmly.
A Change and Accountability Report is prepared whenever equipment and property which has a Property Tag affixed is moved to a new location or is transferred to another Dept/CC.

Step 1. Complete these items:
   a. Date
   b. Your Dept/CC
   c. New destination
   d. Tag number(s)
   e. Item name
   f. Present equipment location
   g. New location to be moved to
   h. Your Signature

Step 2. Remove your file copy (pink)
Step 3. Issue set to Special Services as notice to move this Specific equipment.

PERSON RECEIVING EQUIPMENT

TO: The Change and Accountability Report accompanies the equipment.
Step 1. Check property and the Property Tag to entries on M&CAR and listed location.
Step 2. Sign form. Remove your copy (green) as file copy.

SPECIAL SERVICES

Step 1. Move equipment as requested by Issued M&CAR. Have person receiving property
       in new location sign M&CAR and keep their copy.
Step 2. Sign remaining three copies. Remove blue copy as file copy.
Step 3. Forward daily the white and canary copies of the M&CAR to Property Control office.
**THE UNIVERSITY OF AKRON**

**RELEASE OF SURPLUS PROPERTY**

SEE INSTRUCTIONS AND CONDITION CODES ON BACK OF LAST COPY

<table>
<thead>
<tr>
<th>SPR #</th>
<th>No 2669</th>
</tr>
</thead>
</table>

**DATE**

**ACCOUNT CODE**

**MAIL CODE**

**DEPARTMENT NAME**

**SUBMIT TO:**
Central Stores
Surplus Property Recycling
Central Services Building
185 S. Forge St., Zip 0703

The items listed hereon are considered surplus to the needs of this department. It is requested that they be removed and disposed of by the Office of Surplus Property Recycling.

Initiated by:
Phone:

Signature — Dean, Head of Department

<table>
<thead>
<tr>
<th>QTY.</th>
<th>DESCRIPTION OF ITEM(S) (MODEL &amp; SERIAL #)</th>
<th>COND. CODE(S)</th>
<th>ESTIMATED VALUE</th>
<th>ORIGINAL COST (IF KNOWN)</th>
<th>LOCATION BLDG. &amp; RM.</th>
<th>UA TAG NUMBER</th>
</tr>
</thead>
</table>

ADDITIONAL COMMENTS:

This form is to be forwarded to
The Office of Surplus Property Recycling, 185 S. Forge St., Mailing Code 0703.
University personnel will contact you regarding pick-up.

White — SPR Copy    Yellow — Property Accounting    Pink — Department Copy
INSTRUCTIONS

1. Fill out form completely. Incomplete or unsigned forms cannot be processed.

2. Six digit department account codes must be provided to insure proper credit.

3. Provide all signatures requested.

4. Item description should include model and serial numbers and manufacturer name if known.

5. Use proper condition code(s). See below:

   A1 = New/Unused Property - Excellent Condition
   A2 = Used Property - Good Condition
   A3 = Used Property - Fair Condition
   A4 = Minor Repairs Required
   A5 = Major Repairs Required
   S = Scrap - Beyond Repair - Obsolete - Unusable

6. Give estimated value and original cost information if known. If you are unsure of this information, leave this area blank.

7. Give building and room location where the materials are physically located.

8. Provide University Property Control tag number. If not available, provide a serial number when possible.

9. Forward SPR copy of the completed form(s) to:

   Office of Surplus Property Recycling
   Central Services Building
   185 S. Forge St.
   Akron, OH 44325-0703

10. Please retain the Department copy for your records.
## THE UNIVERSITY OF AKRON
### PROPERTY ACCOUNTING Control Total
#### ON-LINE DATA ENTRY RECORD

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL FROM PRIOR RECONCILIATION PAGE</td>
<td></td>
</tr>
<tr>
<td>Equipment file adds-new tags</td>
<td>$</td>
</tr>
<tr>
<td>Equipment file additions to existing tags</td>
<td></td>
</tr>
<tr>
<td>Total tagged for current month</td>
<td>$</td>
</tr>
<tr>
<td>Total tag adjustments-prior period trans.</td>
<td></td>
</tr>
<tr>
<td>Total Deletions during month</td>
<td></td>
</tr>
<tr>
<td>Total increase/decrease in equipment file</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Ledger Query</td>
<td></td>
</tr>
<tr>
<td>Total -current month</td>
<td>$</td>
</tr>
<tr>
<td>Journal Voucher Corrections</td>
<td></td>
</tr>
<tr>
<td>Journal Entry Corrections</td>
<td></td>
</tr>
<tr>
<td>Transactions to recode</td>
<td></td>
</tr>
<tr>
<td>Other adjustments</td>
<td></td>
</tr>
<tr>
<td>Total tagged $'s for current month</td>
<td>$</td>
</tr>
</tbody>
</table>

**NEW BALANCE**

**Prepared by**

**Date**

**FY**
Sample University Metal Property Tag

Sample sticker used to identify equipment purchased with federal dollars
THE UNIVERSITY OF AKRON
AUTHORIZATION FORM
HOME USE OF UNIVERSITY EQUIPMENT

SEE REVERSE FOR CONSIDERATIONS & CONDITIONS FOR HOME USE OF EQUIPMENT

This is to certify that ___________________________ Director/Dept. Head of ___________________________ (Department)

has given his/her permission to ___________________________ (Name of Person using Equip.)

to use the following

University owned equipment at his/her personal residence located at

______________________________________ (Address) ________________________________________ (Phone #)

Please list all equipment and component parts:

<table>
<thead>
<tr>
<th>TAG #</th>
<th>DESCRIPTION</th>
<th>MODEL</th>
<th>SERIAL #</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

He/She is using this equipment at home to ___________________________ (Reason)

______________________________________ (Reason)

Date Signed

S
I
G
N
A
T
U
R
E
S

Individual Responsible for Equip.

Department Head/Director

Manager, Property Accounting

EQUIPMENT RETURNED

Receipt of returned equipment is hereby acknowledged; □ check if damaged and attach details.

_________________________ Date ___________________________ (Date)

SIGNED

_________________________ Department Head/Director ___________________________

* Please send all copies of completed form to
* Property Accounting, Spicer Hall, Room 208
* (Zip 6205). Property Accounting will distribute
* the forms. Send the green copy to Property
* Accounting when equipment is returned.
*
CONSIDERATIONS & CONDITIONS FOR
HOME USE OF UNIVERSITY EQUIPMENT

Whereas, UNIVERSITY is the owner of certain equipment which is set forth on the face of
this form, and

Whereas, UNIVERSITY, and USER will benefit from USER’s use of the subject equipment
(hereafter referred to as the SUBJECT EQUIPMENT) at USER’s private residence; affording USER
the opportunity to perform tasks on behalf of UNIVERSITY while away from UNIVERSITY; and

Whereas, UNIVERSITY has determined that the use of the SUBJECT EQUIPMENT by
USER at USER’s private residence will benefit UNIVERSITY;

THEREFORE, in consideration of the mutual covenants, promises, considerations herein set
forth, UNIVERSITY and USER agree as follows:

1. UNIVERSITY hereby authorizes USER to utilize the equipment at the private
   residence.

2. USER agrees to utilize the SUBJECT EQUIPMENT in a safe and proper manner so as
   not to cause injury to himself/herself or others or damage to the SUBJECT EQUIP-
   MENT. USER agrees only to utilize the SUBJECT EQUIPMENT at USER’s private
   residence. USER assumes full responsibility for any loss or damage to SUBJECT
   EQUIPMENT.

   It is understood that the same shall not be removed from the said residence (except to
   return same to UNIVERSITY) without the express written permission of the
   UNIVERSITY.

3. USER agrees to utilize the SUBJECT EQUIPMENT solely for purposes of business,
   academic research or other use exclusively on behalf of the UNIVERSITY.

4. USER acknowledges that USER is familiar with copyright laws and contractual
   protections associated with software which may be used in conjunction with the
   SUBJECT EQUIPMENT. USER agrees to use the SUBJECT EQUIPMENT in a lawful
   manner, especially with regard to software. USER will not unlawfully load or copy any
   software with or through the use of the SUBJECT EQUIPMENT.

5. USER agrees that USER shall, upon request of the UNIVERSITY or upon conclusion
   of the use of SUBJECT EQUIPMENT by USER (whichever event occurs earlier), return
   the SUBJECT EQUIPMENT to UNIVERSITY.

6. USER agrees that only USER may utilize the SUBJECT EQUIPMENT, that no other
   person will be authorized or allowed to use same without the express written consent
   of the UNIVERSITY.

7. Any maintenance required for the SUBJECT EQUIPMENT will be performed only by
   representatives of the UNIVERSITY or designated representative or contractor of
   UNIVERSITY. USER acknowledges and understands that UNIVERSITY will not be
   responsible to provide any alternate source of equipment during such time period.
PROJECT REQUEST FORM

PROJECT DATA:
1. Originator: ___________________________ Department: ___________________________
2. Title: __________________________________________
3. Location: ______________________________________
4. Description: __________________________________

5. Budget (initial estimate):
   Construction ____________________________
   Contingency ____________________________
   Design Fees ____________________________
   Total Project ____________________________

Proposed construction schedule: ____________________________

6. Funding Source (account no./name): ____________________________

7. Submitted by Project Manager: ____________________________
   Project Manager/ David J. Pierson, Director Architectural Services & Capital Planning

9. Asst. Dir. Camp. Plng & Space Utilization: Projects which require the allocation of unassigned space or the reassignment of currently assigned space require an approved Space Allocation Routine Slip prior to the approval of the Assistant Director Campus Planning and Space Utilization

APPROVAL PROCEDURE: In order for this project to proceed, the Originator must (1) indicate the source of funds; (2) obtain approvals of all indicated levels below; and (3) forward this form to Vice President C within sixty (60) days after the origination date.

Department Head: ____________________________________________ Date

Director/Dean: ____________________________________________ Date

Vice President: ____________________________________________ Date

Senior Vice President and Provost: ____________________________ Date
   Dr. Elizabeth J. Stroble

APPROVAL TO PROCEED: YES______ NO______

Vice President Capital Planning and Facilities Management: ____________________________
   Ted Curtis, AIA Date

1. Forward Original to Fiscal Officer
2. Original to file 3. Copy to Project Manager and Originator

Page 21
The University of Akron

Exhibit G

THE UNIVERSITY OF AKRON
REQUEST FOR PROJECT FUNDING AND/OR ACCOUNT CODE
PLANT FUNDS, BOND ISSUE OR PROJECTS UNDER $75,000

Project Description:
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Project Budget:
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Person initiating request: ______________________________________________________
Phone extension: __________________________
Department: _________________________________________________________________

Responsible Person: __________________________________________________________
Home Department: __________________________

Approved:

Fiscal Administrator Date Vice President, Capital Planning and
Facilities Management Date

Once both signatures are obtained, forward to Vice President for Business and Finance +4715

Account is to be set up as:
Plant Fund Account "7-72"
Bond Issue Account "7-72"
Projects Under $75K Account "2-06"
Amount: __________

Once signature is obtained, forward to Controllers Office +6205

Account code ___________ was set-up by ___________ on ___________.

NOTE: ONLY ONE OF THE FOLLOWING STEPS IS NEEDED:

• If Plant Fund Account, forward to Plant Fund Accountant for transfer of funds +6205.
  Funds were transferred from ___________ by ___________ on ___________.

• If Bond Issue Account, forward to Plant Fund Accountant for transfer of funds +6205.
  Funds were transferred from ___________ by ___________ on ___________.

• If Project Under $75K Account, forward to Budget Office for transfer of funds +6202.
  Funds were transferred from ___________ by ___________ on ___________.

Once funds are transferred, return to Fiscal Administrator +0405.

Received by ____________________________ on ___________.
The Fiscal Administrator will copy the person who initiated the request and also copy Stephanie Canterbury on PFOC requests and Liz Voth on bond accounts.