# Table of Contents

1.0 OBJECTIVE ................................................................................................................................. 2  
2.0 DEFINITIONS ................................................................................................................................. 2  
   2.1 Capitalized Equipment ............................................................................................................. 2  
   2.2 Non-Capitalized Equipment .................................................................................................... 2  
   2.3 Sensitive Equipment .................................................................................................................. 3  
   2.4 Information Assets ..................................................................................................................... 3  
   2.5 Instructional Equipment (IE) .................................................................................................... 3  
   2.6 Group II Equipment ................................................................................................................... 3  
   2.7 Equipment Tracking, Tagging and/or Inventory Requirements Matrix ...................................... 4  
3.0 CAMPUS COMMUNITY AND DEPARTMENTAL RESPONSIBILITIES ............................................. 4  
   3.1 Employees - Faculty & Staff ..................................................................................................... 4  
   3.2 Sponsored Programs .................................................................................................................. 5  
   3.3 Financial Accounting & Reporting ........................................................................................... 5  
   3.4 Property Survey Committee (PSC) ............................................................................................. 5  
4.0 ACQUISITION OF EQUIPMENT ...................................................................................................... 5  
   4.1 Purchase .................................................................................................................................... 5  
   4.2 Property Purchased Jointly with Other Entities ......................................................................... 5  
   4.3 Donations (In Kind Gifts) .......................................................................................................... 5  
   4.4 Transfers .................................................................................................................................... 5  
   4.5 Fabrication of Equipment .......................................................................................................... 6  
5.0 ASSET MANAGEMENT SYSTEM AND EQUIPMENT IDENTIFICATION (TAGGING) ......................... 6  
   5.1 Asset Management System ....................................................................................................... 6  
   5.2 Identification of Campus Equipment .......................................................................................... 6  
6.0 PHYSICAL INVENTORY ................................................................................................................ 6  
   6.1 Physical Inventory of Campus Equipment ..................................................................................... 6  
   6.2 Off Campus Use of CSU Property ............................................................................................... 7  
   6.3 On Campus Use of Personally Owned Property ......................................................................... 7  
7.0 MAINTENANCE ............................................................................................................................... 7  
8.0 LOSS PREVENTION ....................................................................................................................... 7  
   8.1 Missing, Lost, Stolen or Vandalized CSU Property ...................................................................... 8  
9.0 DISPOSITION OF CAMPUS PROPERTY ...................................................................................... 8  
   9.1 Surplus Property .......................................................................................................................... 8  
   9.2 Equipment with Special Requirements .................................................................................... 8  
   9.3 Approval of Dispositions ............................................................................................................ 8  
   9.4 Types of Dispositions ............................................................................................................... 8  
10.0 REPORTING AND RECONCILIATIONS ...................................................................................... 9  
11.0 DEPRECIATION ............................................................................................................................ 10  
12.0 RESOURCES AND REFERENCE MATERIALS ........................................................................... 10
1.0 OBJECTIVE
The CSU Administration of Property Equipment Procedures are designed to maintain uniform accountability for CSU equipment. These procedures are used to provide accurate records for the acquisition, maintenance, control, and disposition of property. The combination of accurate accounting records and strong internal controls must be in place to protect against theft and detect the unauthorized use of CSU property.

2.0 DEFINITIONS
2.1 Capitalized Equipment
"Capitalized Equipment" is defined as tangible, non-consumable property meeting all of the following criteria:
1) a unit acquisition cost of $5,000 or greater (including all costs incurred to acquire and to ready the asset for its intended use such as purchase price, applicable tax, freight, etc.),
2) an estimated life of greater than one year,
3) is not permanently attached to or incorporated in the CSU buildings and grounds, and
4) is used to conduct CSU business.

Capitalized equipment must be tagged and inventoried. For tagging methods, refer to Section 5.2 Identification of Campus Equipment. Detailed guidelines on capitalization of assets can be found in the Capital Asset Guide of the CSU GAAP Reporting Manual.

The exception to the capitalized equipment tag and inventory requirement is modular furniture which can be assembled and re-assembled in various configurations. As modular furniture costs are capitalized for GAAP financial statements, campuses are to develop procedures to reasonably account for them physically in order to identify and remove the cost and related accumulated depreciation from the campus’ financial records upon disposal.

2.2 Non-Capitalized Equipment
Generally, "Non-Capitalized Equipment" is equipment that does not meet the criteria to be capitalized. It is recommended that campuses track non-capitalized equipment. However, campuses may establish a threshold for tracking of non-capitalized equipment based on an analysis of cost versus benefit and risk of misuse or misappropriation.

At a minimum, non-capitalized equipment that must be tracked, tagged and inventoried are:
1) university police firearms,
2) vehicles (including General use mobile equipment per ICSUAM 5303-00 Commodities with Special Purchasing Requirements),
3) all federally funded equipment (see Sponsored Programs ICSUAM 11005.00 Equipment and Property Management Policy for more instructions on federally funded equipment).

Non-capitalized equipment deemed to be trackable must be recorded in the campus defined property inventory records but not included in the campus’ GAAP financial statements. For tagging methods, refer to Section 5.2 Identification of Campus Equipment.
2.3 Sensitive Equipment
Sensitive equipment is equipment that is easily subject to theft or loss as determined by the campus. These items must be tracked, tagged and inventoried.

2.4 Information Assets
Information assets are electronic records as defined and must be managed in accordance with ICSUAM Policy 8000 Series - Information Security.

2.5 Instructional Equipment (IE)
"Instructional Equipment" (IE) can be classified as either capitalized or non-capitalized equipment and is defined as property which is tangible and non-consumable meeting all of the following criteria:

1) a unit acquisition cost equal to or greater than $500 (including all costs incurred to acquire and to ready the equipment for its intended use such as purchase price, applicable tax, freight, etc.),
2) a normal useful life of two or more years,
3) is not permanently attached to or incorporated in CSU buildings and grounds,
4) is owned by the campus and used to conduct CSU business, and
5) is assigned to one of the following: instructional departments, audiovisual centers and/or learning laboratories, or any functions under the ancillary support subprogram of the Academic Support program.

Equipment assigned to the Library or Computer Center is excluded from this category, as is furniture.

IE must be tracked for the purpose of preparing the Instructional Equipment Inventory Report required by the CSU Chancellor’s Budget Office. However, while IE from $500 to under $5,000 must be tracked, it is not required to be tagged unless it belongs to one of the categories specified as minimum requirement for non-capitalized equipment as specified in Section 2.2. All capitalized instructional equipment must be tagged.

Note: CSU budget allocations for Instructional Replacement Equipment are based, in part, on existing equipment values which are reported in the Instructional Equipment Inventory Report. For further information on the Instructional Equipment Inventory Report see CSU 1112-IER-Memo-Instructions for Instructional Equipment at the Instructional Equipment Replacement (IER) Database website maintained by the Budget Office.

2.6 Group II Equipment
Items purchased to place a structure into service, commonly referred to as “Group II Equipment,” must be evaluated for capitalization or tracking based on the criteria specified in Sections 2.1 and 2.2.
### 2.7 Equipment Tracking, Tagging and/or Inventory Requirements Matrix

In summary, the following is a recap of Equipment that must be tracked, tagged and/or inventoried:

<table>
<thead>
<tr>
<th>Equipment Type</th>
<th>Inventory Record (1)</th>
<th>Tracked (2)</th>
<th>Tagged (3)</th>
<th>Inventoried (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitalized Equipment (excluding modular furniture)</td>
<td>CFS AM</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Non Capitalized Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firearms</td>
<td>CFS AM</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Vehicles</td>
<td>CFS AM</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Federally Funded Equipment</td>
<td>CFS AM</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Sensitive Equipment (campus defined)</td>
<td>CFS AM</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

1. **Inventory Record**: Refer to Section 5.1 Asset Management System.

2. **Tracked**: Accounted for on a reasonable basis, no less than annually, conducted by the custodial department or other identified responsible party/department.

3. **Tagged**: Tagged or marked with a unique identification number recorded in the asset management system. The identification number will be directly applied to the item unless its size and/or nature prohibits application.

4. **Inventoried**: Physical inventory conducted on a 3-year cycle conducted by the Property Office or other identified party/department, other than the custodial department.

### 3.0 CAMPUS COMMUNITY AND DEPARTMENTAL RESPONSIBILITIES

#### 3.1 Employees - Faculty & Staff

Employees of the campus community have an obligation to safeguard CSU equipment and property. This obligation includes, but is not limited to:

- Taking reasonable security precautions to discourage loss, theft, or misuse of property.
- Preventing the disclosure of protected data by complying with campus information security procedures.
- Reporting missing, lost, stolen, and vandalized property to appropriate personnel including the IT security department via the appropriate form (such as Report of Missing Property form, Campus Police Incident Report, and Police Report).
- Reasonable care, maintenance, and use of equipment to prevent damage.
- Returning equipment in satisfactory condition.
• Employees may be charged for any loss of or damage to CSU property that is attributable to their negligence or unauthorized use.

3.2 Sponsored Programs
All equipment funded by externally sponsored programs is also subject to Sponsored Programs Administration ICSUAM 11005.00 Equipment & Property Management Policy.

3.3 Financial Accounting & Reporting
Financial Accounting & Reporting is responsible for authorizing the majority of financial reports and ensuring the reporting data is available for end users throughout campus. See Section 10.0 REPORTING AND RECONCILIATIONS for further information.

3.4 Property Survey Committee (PSC)
Each campus will have a campus defined Property Survey Committee responsible for determining whether the disposal of surplus property is in the best interest of the state. To the extent possible, there will be a sufficient number of members on the committee to ensure representation by both business management and program responsibilities. At least two committee members must approve all property survey and property transfer reports prior to the completion of the disposition transaction. PSC approval is required for the disposition of capitalized and non-capitalized equipment deemed trackable or taggable.

4.0 ACQUISITION OF EQUIPMENT
Equipment may be acquired by purchase (including lease purchase, installment purchase, and Procurement Card purchase), donation, transfers and fabrication. Per Section 2.0, equipment will be added to the inventory record, tracked, tagged and inventoried as appropriate. (Refer to Section 2.7 Equipment Tracking, Tagging and/or Inventory Requirements Matrix.)

4.1 Purchase
The cost of the equipment includes the purchase price, applicable taxes and freight, and any other costs associated with preparing the equipment for its intended use.

4.2 Property Purchased Jointly with Other Entities
Property purchased with a combination of the campus’ and other entities’ funds (auxiliaries, federal agencies, etc.) shall be noted on the purchase order with the amount of funds allocated from each funding source. If not stated in the agreement of purchase, these items will be recorded as CSU Property if any portion of the funds used to acquire, install, or maintain the items are from CSU sources.

4.3 Donations (In Kind Gifts)
Departments must coordinate with the campus Advancement department to ensure that the campus in kind gift acceptance requirements are met and the donation is properly acknowledged with appropriate authorization signatures. Advancement is responsible for itemizing and obtaining the fair market value of donated gifts and reporting this information to the appropriate departments.

4.4 Transfers
Upon acceptance of items transferred from another campus or state agency, the campus must determine the fair market value of the asset at the time of transfer.

4.5 Fabrication of Equipment
Under special circumstances equipment may be constructed by campus employees.

5.0 ASSET MANAGEMENT SYSTEM AND EQUIPMENT IDENTIFICATION (TAGGING)

5.1 Asset Management System
The generic term, asset management system, is the software program (not necessarily PeopleSoft) used to record the campus’ acquisitions, transfers, and dispositions of CSU property.

The asset management system is the campus official record for capitalized, instructional campus equipment and intangible assets. Non-capitalized equipment must be recorded either in the asset management system or in local campus defined records as indicated in section 2.0 of this policy. (Refer to Section 2.7 Equipment Tracking, Tagging and/or Inventory Requirements Matrix.)

The information entered into the asset management system may include, but is not limited to: the item description, date of receipt, purchase order number, location information for inventory, cost and other financial information for reporting. The description of the equipment entered into the asset management system may include (as available) make, model number, manufacturer, serial number, campus identification number (tag number), and asset class as needed for capital asset reporting and depreciation.

Accurate records must be maintained as to the current location of equipment to allow for inspection and/or inventory purposes whenever necessary. The timing requirements for adjustments to the asset management system need to be specified in the campus’ procedures.

5.2 Identification of Campus Equipment
All capitalized and non-capitalized campus equipment (deemed taggable) must be tagged or marked with a unique identification number which is to be recorded in the asset management system and also on all applicable property control documents. The identification number will be directly applied to the actual unit unless its size or nature prohibits application. Any additional identification number required by the department must be applied in a manner that avoids confusion with the CSU identification number. (Refer to Section 2.7 Equipment Tracking, Tagging and/or Inventory Requirements Matrix.)

CSU property should be tagged before it is distributed to the accepting department. If property is delivered to another physical location other than the Property Office, receiving, or off campus or if an equipment identification number becomes destroyed, defaced, or removed, it is the responsibility of the custodial department to contact the appropriate office to tag or re-apply a new identification number.

6.0 PHYSICAL INVENTORY

6.1 Physical Inventory of Campus Equipment
A complete physical inventory of all CSU capitalized and non-capitalized equipment (deemed taggable) must be performed at least once every three years. To ensure proper segregation of duties, this 3 year physical inventory shall not be conducted by the custodial department (campus department assigned to the property). The campus Property Office may conduct this physical inventory or identify another party or department to do so, other than the custodial department. The completed inventory must receive management review and approval. Any discrepancies must be evaluated for further investigation and escalated to the appropriate authorizing authority based on the specific situation and value of the missing items.

Instructional equipment will be tracked for the purpose of preparing the Instructional Equipment Inventory Report required by the CSU Chancellor’s Office, but will not be physically inventoried unless it falls into the capitalized or non-capitalized (deemed taggable) categories.

The Physical Inventory of capitalized equipment will be reconciled to the general ledger, while non-capitalized equipment is not. (Refer to Section 2.7 Equipment Tracking, Tagging and/or Inventory Requirements Matrix.)

6.2 Off Campus Use of CSU Property
The CSU requires that campus property not be utilized off campus unless it is necessary for conducting CSU business. If CSU property (including property deemed trackable) has been approved to be used off-site, it is the responsibility of the department and user to complete an authorization form for off-site use before the property is in the custody of the user.

During each inventory cycle, all off-site property must be “physically” verified and location confirmed. When the equipment is returned, the return of the property must be documented on the authorization form with appropriate signatures. The department must keep a copy on file and upon request forward a copy to the Property Office.

6.3 On Campus Use of Personally Owned Property
It is recommended that CSU employees who use their personal style computing devices on-campus identify and report the use of such equipment to their department’s IT support. The campus is not responsible for loss or damage to personally-owned equipment.

7.0 MAINTENANCE
Campuses must establish practices to reduce risk associated with the use of equipment by maintaining such equipment in good working order. For example, campuses are required to have a Motor Vehicle Inspection Program.

8.0 LOSS PREVENTION
Departments with equipment susceptible to theft or loss must implement one or more of the following protection measures:
- Ensure CSU equipment identification tags or permanent makings are visible on the equipment.
- Establish an internal check-out/check-in system for departmental equipment.
- Lock office equipment to desk or stands.
- Utilize a security room or closet to store high-risk equipment.

8.1 Missing, Lost, Stolen or Vandalized CSU Property
In the event that equipment becomes missing, lost, stolen or vandalized, a report shall be filed and forwarded to the appropriate departments upon discovery. For incidents with on-campus property, an incident report must be filed with the campus Police Department in the case of stolen and/or vandalized property. For incidents with off-campus property, the local police department shall be notified and a police report filed in the case of stolen and/or vandalized property. In all cases of theft or loss of information assets or equipment containing information assets, the IT security department must be notified immediately upon discovery.

9.0 DISPOSITION OF CAMPUS PROPERTY

9.1 Surplus Property
A property transaction form must be completed for equipment that a department deems as surplus. The custodial department will advise on the present condition and current use of the item prior to forwarding to the Property Office for disposition.

9.2 Equipment with Special Requirements
The campus must ensure all special requirements for equipment are addressed.

9.2.1 VEHICLES
The certificate of title (pink slip) must be kept on file for all campus vehicles. All sale and trade-in information must be retained by the campus designated department once the vehicle has been disposed.

9.2.2 INFORMATION ASSETS
Refer to ICSUAM Policy 8065.00 – Information Asset Management.

9.3 Approval of Dispositions
To ensure proper internal controls and segregation of duties, no item of property shall be sold, transferred, or disposed of outside the campus, without prior approval of the campus defined Property Survey Committee (PSC).

9.4 Types of Dispositions

9.4.1 EQUIPMENT TRANSFERS BETWEEN CAMPUS DEPARTMENTS
When CSU equipment is transferred between departments, the transfer must be documented and properly approved by both departments. The following information should be provided: campus tag identification number, item description, and location (building, room and/or department location). The asset management system must be updated to reflect the transfer in a reasonable period of time as defined in campus procedures.

See Sponsored Programs ICSUAM 11005.00 Equipment and Property Management for grant equipment transfers between campuses.
9.4.2 Transfers of Equipment to Another Campus or State Agency
When CSU equipment is transferred to another campus or state agency, the transfer must be documented on a campus property transfer report and properly approved by both the campus transferring the equipment and the other campus or state agency accepting the equipment.

9.4.3 Public Sales
The appropriate departments must be notified of any departmental plans to sell property before the transaction takes place. The campus will establish a fair market value of the equipment that is to be sold. For dollar limitation approvals refer to Executive Order 409 Purchase, Sale, Lease and License of Personal Property – Delegation of Authority.

A system of checks and balances shall be used and a proper segregation of duties must be in place. This shall, at a minimum, consist of having separate persons handle the sale and the collection of funds. For cash handling procedures, please refer to ICSUAM 3102.03 Acceptance of Cash and Cash Equivalents.

9.4.4 Trade-In
The appropriate departments must be notified of any departmental plans to trade-in property before the transaction takes place. The campus will establish a fair market value of the property that is to be traded-in.

9.4.5 Donation
Property that is deemed suitable for donation may be donated as appropriate for the item to educational institutions, public agencies and non-profit organizations. All University property donations must be processed through the Property Office. For all donations, a copy of the non-profit organization’s 501(c)3 certification is to be obtained and retained.

9.4.6 Recycle or Salvage
CSU property that is deemed obsolete, irreparable or dangerous will be discarded using a State certified recycler. Parts from such property may be identified as salvage parts and reclaimed for campus business use.

10.0 Reporting and Reconciliations
CSU asset management reporting is used for many purposes including resource management, financial reporting and overall effective asset management. Financial Accounting & Reporting is responsible for authorizing the majority of financial reports and ensuring the reporting data is available for end users throughout campus.

Depending upon the campus process for entering capital assets into Asset Management, the campus may have to complete reconciliations to ensure that all capital assets received have been entered into the Asset Management system and capitalized. These reconciliations should be performed in a timely manner, either monthly or quarterly depending upon the volume of property transactions. The timing requirements for reconciliations should be specified in the campus’ procedures. Reconciliations will show the date prepared, date reviewed, preparer’s name and signature, and the reviewer’s name and signature.
11.0 DEPRECIATION

Detailed guidelines on the depreciation of assets are located in the Capital Asset Guide of the CSU GAAP Reporting Manual.

12.0 RESOURCES AND REFERENCE MATERIALS

Executive Order 409 Purchase, Sale, Lease and License of Personal Property – Delegation of Authority
ICSUAM 3102.03 Acceptance of Cash and Cash Equivalents
ICSUAM 5303.00 Commodities with Special Purchasing Requirements
ICSUAM 11005.00 Equipment and Property Management
ICSUAM Policy 8000 Series - Information Security
Capital Asset Guide of the CSU GAAP Reporting Manual
Instructional Equipment Replacement (IER) Database website