

POLICY: Fixed Assets
SECTION: Accounts Payables

POLICYNO. 295
EFFECTIVE: 3/05/2026

APPROVED BY: Timothy Chang

HISTORY:07/01/2023

PURPOSE

To establish guidelines for purchases of capital assets and identify the maintenance, control, and protection of physical assets. Also, to develop a system for keeping track of the inventoried assets acquired through the Cal State LA University Auxiliary Services Inc. (UAS)

POLICY

The Fixed Assets Policy seeks to identify, record, control, and manage all existing UAS assets. Any assets purchased for the use of University Campus projects or Grants and Contracts are not considered UAS fixed assets as they are transferred to Cal State L.A. University. Assets acquired by Sponsored Programs must be used only for those purposes authorized in the corresponding Grants or Contracts throughout the duration of the Grant or Contract.

Capital Asset and Threshold

A Capital Asset is defined as an asset with an original total cost of \$5,000 or greater (total cost including all expenditures, reasonable and necessary, in acquiring or receiving the asset) with a useful life of more than one year. The assets will be identified by a Campus Asset management label or UAS bar code label and tracked in the Campus Asset Management system over the life of the asset.

Fixed Asset and Accountability

Each operation Director/Manager is responsible for the appropriate use, safeguarding, and tracking of fixed assets and equipment. In addition, UAS accounts payable staff will monitor all expenditures to ensure that assets are properly tagged and will forward the necessary information to the Staff Accountant to ensure that the fixed asset or equipment is properly accounted for. The Staff Accountant will notify the Campus Asset Management Lead of the acquired fixed asset so that it can be added into the Campus Asset Management System.

Depreciation

The guidelines for the depreciation recovery period of various assets are shown in Appendix 295-A. All assets are depreciated using the straight-line method of depreciation. For Grants and Contracts, assets acquired through external funding are recorded as expenses and neither capitalization nor depreciation is required. As the assets purchased by Campus Programs, they are coded as expendable equipment and transferred to the University.

Fixed Asset Tracking and Tagging

All fixed assets and equipment valued at over \$500, whether depreciated or expensed, should be tagged with a bar code assigned by the UAS Financial Services Office or the Campus Asset Management team.

Categories of assets, which may be departmentally monitored, but are not usually tagged are:

- a. Land improvements;
- b. Building support systems;
- c. Furniture and fixtures;
- d. Tools;
- e. Construction in progress;
- f. Items that are fixed or non-moveable, such as workstations, stocking shelves, overheads and file stands.

Grants and Contracts and Campus Program Assets

Grants and Contract and Campus Program purchases that are considered fixed assets, and are used by University departments, will be transferred to the University on a quarterly basis. The asset will be tracked by UAS until it's transferred to the University. A form to transfer the assets should be prepared and provided to the Campus Asset Management department. The University must keep records, and an inventory, of all equipment purchased from the Grantor/Sponsor. At the end of each project, the equipment remains with the University or is returned to the Grantor/Sponsor.

Additionally, UAS staff shall conduct a random sample count of equipment purchased with current federal grant funding at least every two years.

Periodic Inspection and Update

A physical inventory will be conducted at least every three years to verify the fixed asset records. The campus asset management team will conduct the physical inventory of assets for each department to ensure control and disposition of assets. Upon completion of the physical inventory, the Property Management team will forward a preliminary report to the department manager/director to identify any discrepancies. Upon resolution of any discrepancies, a final inventory report will be provided to the Executive Director.

Asset Information Updates

In compliance with Executive Order 813, lost, stolen, or destroyed property must be reported to the Executive Director by the next business day following any incident of actual or suspected theft.