

**Policy 3-041: Accountability for Noncapital Equipment**

**Revision #0.** Effective date: April 13, 2010

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**I. Purpose and Scope**

A. Purpose.

To establish University policy for accountability of noncapital equipment for which departments, units, and colleges are responsible..

B. Scope.

[reserved]

## II. Definitions

The following definitions apply for the limited purposes of this policy and any associated regulations.

- A. Noncapital Equipment - Equipment having an acquisition cost or donated value of greater than or equal to \$1,000, but less than the \$5,000 capital threshold, and with a useful life in excess of one year. Examples include, but are not limited to, photographic equipment, computers, printers, scanners, etc.
- B. Property - For the purposes of this policy, “property” and “equipment” may be used interchangeably. Property is tangible and moveable. Items that are not capitalized (not recorded as assets) still need to be tracked and inventoried for insurance purposes and as part of a systematic plan to follow good business practices. Noncapital equipment might include furniture, computers, cameras, projectors, etc. The term may also include decorative items, but does not include items of art or artifacts - collected or displayed by the University's Museums of Fine Arts and Natural History.
- C. Insurable equipment - This term was used extensively in prior procedures and guidelines as being synonymous with the term “noncapital equipment” as described above. In fact, all property and equipment with an original value of \$1,000 and greater is insurable - both capital and noncapital.
- D. Excess University Property - University property that is unusable or no longer required by the University.
- E. University Funds - Funds administered by the University without regard to source of such funds (excludes Agency Funds).
- F. Hazardous Materials - Property containing substances that are identified as hazardous by the Environmental Health and Safety Department.

- G. Fair Market Value - The price that property would sell for on the open market. For equipment donated to the University, this value may need to be determined by an independent party to the transaction.
- H. Biennial Inventory - A physical verification of noncapital equipment conducted by the department or unit every two years.

### **III. Policy**

#### **A. Accountability for Noncapital Equipment**

1. It is the responsibility of each department or unit which acquires, holds, or disposes of noncapital equipment to ensure that such property is:
  - a. Properly recorded when acquired
  - b. Properly inventoried and safeguarded
  - c. Properly reported at time of disposal
2. Dollar thresholds are established for verification purposes and overall efficiency of operations in accordance with the Definitions above. This is not to imply that departments and units not also be diligent in safeguarding items that fall below the dollar threshold - especially where such items contain sensitive, proprietary or personal identification information. Specifically, such items should be included in noncapital equipment inventory even when the acquisition cost or donated value falls below the dollar threshold.
3. When the purchase of noncapital equipment has been recorded in the financial system, the department will attach the appropriate inventory tag (where feasible) to the equipment and maintain records of the location and other pertinent information within the department.
4. It is the responsibility of the Account Executive or Principal Investigator to properly maintain government or University equipment which has been entrusted to him or her.

5. It is the responsibility of the Principal Investigator to ensure that government property is utilized as authorized in the contract or grant.
6. Equipment donated to the University will be recorded at its fair market value at the time of donation.

B. Disposal or Transfer of Noncapital Equipment

1. It is the policy of the University to dispose of excess University property in a manner that will maximize the return or benefit to the University, consistent with laws governing state and federal property.
2. University property may be transferred to another institution only if the University has no need for the equipment, the new institution agrees to purchase the equipment at a fair market value (established by University Surplus and Salvage), and the approval of the cognizant vice president over the department transferring the equipment is obtained.
3. University property may be transferred from one University department to another, with the agreement of both departments.
4. Hazardous material disposal is coordinated by the Environmental Health and Safety and the Radiological Health Departments; and specific procedures on the disposal of such may be obtained from Environmental Health and Safety. If hazardous material is disposed of in a manner inconsistent with such procedures, fines and/or penalties may be assessed to the University. Responsible individuals or departments may be subject to fines, penalties and possible criminal action.
5. Equipment containing data storage devices must have those devices destroyed according to procedures established for that purpose.
6. The disposal or transfer process is facilitated by use of the Retirement/Transfer Form. The form is used to transfer property from one department to another; and is also used to retire property from a department's inventory records.

C. Off-Campus Use of Equipment

1. Prior written approval of the cognizant department head must be obtained for off-campus use of University or government owned property. Approval documents must identify the specific off-campus location, the University property description or serial number, the individual responsible for the equipment, and the purpose of off-campus use. Completed approval documents must be kept on file with the department. This process is facilitated by use of the Off Campus Authorization Form.
2. An individual who removes property from its campus location without proper authorization is responsible for replacing such property if it is lost, stolen or damaged.

D. Security and Losses

1. The head of the cognizant department and the Account Executive or Principal Investigator are responsible for the physical security, maintenance, and utilization of property in their custody. Special precautions must be taken to safeguard equipment containing data and equipment with a high-risk for theft.
2. Loss, theft or destruction of University or government owned property must be reported within twenty-four hours of discovery to the Risk and Insurance Services Office and appropriate law enforcement.

E. Verification of Inventory Records

1. Departments will maintain inventory records on noncapital equipment and conduct a biennial inventory on such equipment. Noncapital equipment must be inventoried if the item is less than five years old and any of the following apply:
  - a. Items are highly portable
  - b. Items contain sensitive or confidential data

- c. Items have a high probability for theft or misappropriation
2. During the physical inventory, the department will verify the existence, condition and location of each item of noncapital equipment item in their possession that meets the criteria described above.
3. Departments will not be relieved of accountability for property that cannot be located without diligent efforts to locate such equipment.
4. The verification process is facilitated by use of the Noncapital Inventory Form.

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*Sections IV- VII are for user information and are not subject to the approval of the Academic Senate or the Board of Trustees. The Institutional Policy Committee, the Policy Owner, or the Policy Officer may update these sections at any time.*

#### **IV. Policies/ Rules, Procedures, Guidelines, Forms and other Related Resources**

##### A. Policies/ Rules.

1. R3-040B: Security and Accountability for University Equipment

##### B. Procedures, Guidelines, and Forms.

1. Completing Biennial Noncapital Equipment Inventory Instructions
2. Retirement/Transfer Form
3. Non-Capital Inventory Form
4. Off Campus Authorization Form
5. Request for Noncapital Yellow Tapes

##### C. Other Related Resources.

1. Buying and Payment Guide

#### **V. References**

- A. Policy 3-003: Authorizations and Approvals Required for Financial Transactions

- B. Policy 3-040: Property Accounting
- C. Rule R3-100E: Restricted Purchases and Special Procurement
- D. Utah Code Section 63A-9-802
- E. OMB Uniform Guidance (2 CFR 200)

## **VI. Contacts**

The designated contact officials for this regulation are

- A. Policy Owner(s) (primary contact person for questions and advice): Associate Vice President for Financial Services
- B. Policy Officer(s): Chief Financial Officer

See Rule 1-001 for information about the roles and authority of policy owners and policy officers.

## **VII. History**

- A. Current version. Revision 0.
  - 1. Approved by Academic Senate March 1, 2010 and Board of Trustees April 13, 2010 with Effective Date of April 13, 2010.
  - 2. Editorial Revisions
    - a. Editorially revised 10/17/2024 to move to current template
    - b. Editorially revised February 12, 2019 to add specifics to Section III.A.2
    - c. Editorially revised June 2, 2014 to update owner and officer
- B. Renumbering
  - 1. Previously numbered as Policy and Procedures Manual 3-20.