

Fixed Assets Policy

1 PURPOSE

It is the policy of the California State University, Dominguez Hills Foundation (“Foundation”) to maintain, control and protect the physical assets (“Fixed Assets”) acquired through the Foundation. This policy seeks to record, control, transfer, and manage all existing Foundation¹ assets and those acquired in the future. All items meeting the definition of a Fixed Asset shall be systematically and accurately recorded; properly classified; and adequately documented by a Foundation designee.

2 POLICY

A Fixed Asset is any non-consumable item purchased by the Foundation which meets the following three criteria:

- 1) Useful life greater than one year
- 2) Has a value of Five Thousand Dollars (\$5,000) or more
- 3) For use in the day-to-day operations of the Foundation or California State University, Dominguez Hills (“University”);

Certain repairs of equipment may be capitalized if the repair prolongs the usable life of the capital asset to more than one year.

Fixed Assets include items of property and equipment such as land, buildings, office furniture, fixtures, computers and other related technology equipment. Additionally, items with a value over Five Hundred Dollars (\$250) considered “theft sensitive items” shall be considered Fixed Assets. Theft sensitive items are expensed for tax and depreciation purposes; however they are considered Fixed Assets for tracking purposes. All Fixed Assets must be tagged and inventoried, no exceptions.

Computers and computer related equipment are generally depreciated over three years. Furniture and fixtures are generally depreciated over five years. Building improvements and leasehold improvements are depreciated over their estimated useful life or the term of the lease, whichever is shorter. All assets are depreciated using the straight-line method of depreciation. If the Chief Financial Officer or their designee determines at the time of acquisition that an asset may have an estimated life longer/shorter than the suggestions above, the useful life may deviate from the prescribed term.

2.1 CAPITALIZATION, DEPRECIATION METHOD AND DEPRECIATION USEFUL LIFE

Fixed Assets valued at or above \$5,000 shall be capitalized; the Foundation has established the straight-line methodology for depreciation. The Foundation’s Useful Life Schedule is as follows:

Description	Useful Life (in years)
Computer software and hardware	3

¹ “Foundation” shall include those auxiliary organizations supported by the Foundation, including but not limited to the Associated Students, Inc., Dominguez Hills Corporation, Loker Student Union, and Philanthropic Foundation (collectively, the “Auxiliaries”).

Description	Useful Life (in years)
Furniture and fixtures	5
Equipment	5
Building and leasehold improvements	Shorter of 15 or Life of lease
Land improvements	20
Buildings, infrastructure and their components	30
Theft sensitive assets	Expensed
Land	N/A

2.2 TRACKING OF ASSETS

In accordance with the Shared Services agreement with the University, Fixed Assets shall be assigned a Tag ID # by the University and tracked by the Foundation. A database will be maintained by Foundation to include the following information:

- A description of the Fixed Asset
- Manufacturer's serial number or other identifying number
- Acquisition date and cost
- Location, use and condition of the Fixed Asset
- Source/Funding of the Fixed Asset, including the account and award identification number
- Whether title vests in the recipient or the Federal Government
- Percentage of Federal participation in the cost of the Fixed Asset
- Ultimate disposition data, including date of disposal and sales price of the Fixed Asset

2.3 PERIODIC INSPECTION

The Foundation Staff Accountant will update the Fixed Asset listing with new assets that have been purchased since the end of the prior fiscal year. However, the Department Head/Principal Investigator ("Director") should report all physical movement of assets at the time it occurs in a manner proscribed and/or outlined in Foundation's Fixed Asset Procedure manual. An updated equipment listing and depreciation schedule will be provided to each Director for their use in developing the annual budget for the next fiscal year. It is each Director's fiduciary responsibility to visually identify every asset on the list, record any changes or corrections, note any assets that have been disposed of or may be missing, and identify any new assets that were not included in the database. Annually, a physical inventory will be conducted by the Department and approved by a Foundation executive to verify the Fixed Asset records.

2.4 DISPOSAL OF ASSETS

Assets can be sold for cash or used for trade-in value, upon approval from a Foundation executive.

A department may have Fixed Assets that are no longer required due to lack of need, obsolescence, wear, damage and deterioration, or excess cost of maintenance. A Foundation executive must ascertain the status of the asset and, in some cases, the Foundation executive will consider the asset to have no value. These items are usually damaged items judged unsafe or too costly to repair and should be thrown away.

Some assets can be recycled or disassembled for parts or components for further use at the discretion of a Foundation executive.

2.5 TRANSFER OF ASSETS TO THE STATE

Fixed Assets transferred to the State/University require Foundation executive approval. Fixed Assets greater than \$100,000 also require the approval of the Foundation Board of Directors. Fixed Assets transferred to the State/University from the Foundation shall remain subject to the original funding source requirements and tracked accordingly in the State/University's Fixed Asset system. Transfers must be made within three months of receipt for federally funded Fixed Assets.

2.6 FEDERALLY FUNDED GRANTS

Equipment – When purchasing Fixed Assets with federal funds, it is the responsibility of the Foundation to comply with institutional policies related to Fixed Asset management and with federal regulations contained in Code of Federal Regulations (2 CFR 200), Uniform Guidance. Awardees purchasing equipment or equipment components with a purchase price of \$5,000 or greater under federally funded awards are required to comply with specific use, management and disposition requirements in compliance with Section 313 of 2 CFR 200. A physical inventory shall be taken, and the results reconciled with the equipment/Fixed Asset records at least once every two years for equipment with a per unit fair market value of \$5,000 or greater.

Supplies – Awardees are required to track supplies and materials (including cost of computing devices) purchased under federally funded grants with a total aggregate residual value of \$5,000 or greater at the end of the project period in accordance with Section 314 of 2 CFR 200.

During the time federally funded equipment is being used on a project, CSUDH must make it available for use on other projects/programs currently or previously supported by the Federal government, provided the work will not interfere with the work of the original project. When a federally sponsored asset is no longer needed for the original purpose, it may be used for other activities in the following priority:

1. Activities under a Federal award from the Federal awarding agency that funded the original program or project
2. Activities under other Federal awards from other Federal awarding agencies

When equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding, the Foundation must request disposition instructions from the federal awarding agency if required by the terms and conditions of the federal award. If the Foundation is authorized or required to sell the property by the federal agency, proper sales procedures must be followed to ensure the highest possible return. Refer to 2 CFR 200.313(e)(2).

Items of Equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency. Refer to 2 CFR 200.313(e)(1).

3 DEFINITIONS

- Moveable equipment, such as furniture
 - These Fixed Assets are not permanently affixed to a part of the building. Examples include chairs, desks, filing cabinets, bookcases, etc. Moveable equipment comprised of assembled components are recorded as a single capital asset
- Fixed equipment, such as fixtures
 - These Fixed Assets are permanently affixed to a building but are separate from the building itself. Examples are light fixtures, water fountains, fire control apparatus, etc.
- Buildings and their components
 - Buildings are roofed structures used for permanent shelter of persons, furniture and/or equipment. Examples of building components are plumbing, electrical system, elevators, and HVAC systems
- Building improvements, including department renovations
 - Major improvement projects that will extend the useful life of the asset, increase the efficiency, or add new capabilities will be capitalized. An example of this would be adding a new roof. All initial costs including parts and labor will be included in the total cost of the project, however parts and labor utilized to perform minor repairs on an existing Fixed Asset are considered period costs and expensed in the period incurred, as this type of work is considered routine maintenance (such as painting an office, replacing a faucet on a sink, or replacing carpet in an office, etc.)
- Land (not depreciated)
 - Land is defined as the solid part of the earth's surface whether improved or unimproved. Land does not get depreciated over time. The acquired value is recorded for the cost of the land. Demolition costs are considered land costs
- Land improvements
 - Land improvements are modifications to outside areas. Examples include installing sidewalks, parking lots, fences, and yard lighting
- Infrastructure
 - Infrastructure is defined as an underlying base or foundation. Examples include sewer lines, fiber optic, and steam lines
- Computer software
 - Computer software includes all programs designed to cause a computer to perform a desired function. Software includes a database or similar items that are in the public domain. If the software can be purchased "off the shelf", it may be expensed in the year purchased
- Computer hardware, peripheral equipment and other electronics
 - Computer hardware includes all parts designed in order for the computer to function as intended. Hardware includes but is not limited to hard drives, monitors, keyboards, printers and scanners. Other electronics include backup peripherals, cameras, cellular phones, etc.
- Theft sensitive assets
 - A unit acquisition cost between \$250-\$4,999 (including all cost incurred to acquire and to ready the asset for its intended use such as purchase price, applicable tax, freight, etc.).
 - Considered sensitive high-risk items which are prone to theft/loss and may contain sensitive data. Not permanently attached to or incorporated in the University buildings and grounds
 - Examples include but are not limited to: computers, laptops, tablets, IT servers, printers/scanners/fax machines/copiers, external hard drives, televisions, cell phones/PDA, cameras, televisions, network switches, sound system equipment