



Fixed Assets and Property Control Procedure

Procedure Number: 311P

Responsible Office: Material Management

Forms: Asset Off-Site Use Request (105-005), [Surplus Request \(105-121\)](#), [Disposal Authorization \(105-135\)](#), [Asset Update Request \(105-137\)](#), Asset Tag Request (105-148), Verification of Inventory Performed (105-151)

Effective Date: 01/01/2020

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1. Purpose

As a public institution, NOVA is obligated to ensure all equipment is acquired, controlled, and disposed of in accordance with State guidelines. NOVA is required to have procedures in place ensuring that capitalized assets are properly recorded and tracked in the Asset Management System.

Property that meets criteria for asset capitalization is as follows:

- a. All equipment with a useful life of greater than one year and a value of at least \$5,000.
- b. All ETF Assets are tracked as Capitalized Assets until the equipment's lease expires.
- c. Note: All Capitalized Assets are entered and tracked in AIS-AM and shall have asset tags affixed by the Property Control Office. Controlled Assets valued at less than \$5,000 but deemed sensitive by the College (i.e. firearms, certain grant assets, etc.), is tagged and tracked in AIS-AM.

2. Definitions

Capitalized Asset: Any asset procured with ETF Funds or an asset with an expected useful life of greater than one year and a value of over \$5,000.

Controlled Asset: Tangible property that has an expected life of greater than one year and a value of less than \$5,000 but may be tracked at the discretion of the College to provide accountability and safeguard the asset. All capitalized asset procedures must be followed.

Physical Inventory: A wall-to-wall physical inventory of all recorded capitalized or controlled assets; required at least once every two years to properly safeguard and maintain fiscal accountability.

Surplus: Assets not currently in use or not in operable condition that are deemed not useful by others in the organization at some future time and therefore the assets are considered disposable.

3. Procedure



a. Asset Acquisition

The College is responsible for creating and affixing an asset tag to all Capitalized Assets. Once received, items that meet the threshold for Capitalization must be tagged, entered into the asset management system, and assigned to the respective department within 30 calendar days of receipt.

- i. Delivery and receiving of all assets must be directed to, or coordinated with, the Central Warehouse (CW) or a Campus Storekeeper. If a college department or employee directly receives a Capitalized Asset, the department's Inventory Liaison must immediately contact the Property Control Office (Campus Storekeeper or Central Warehouse) to request an asset tag.
- ii. Within 5 days of an asset being received in eVA by Central Warehouse personnel or a Campus Storekeeper, a 105-148 Asset Tag Request must be submitted.
- iii. Central Warehouse personnel and Campus Storekeepers will have 5 days to physically tag the asset and distribute the asset to the responsible department once a 105-148 Asset Tag request form is submitted.
- iv. Controller's Office personnel have 20 days to review and approve new Asset Tag Request submissions, and to create the new assets in the College Asset Management System (AIS-AM.)
- v. Where the volume of new assets exceeds 200 units, an additional 10 days will be allotted per 100 units to process the new assets.

Note: When procuring a Capitalized Asset, eVA Users can select "Yes" for the Asset Flag field under "Accounting - By Line Item" in the eVA Requisition creation process. This helps the College identify assets that require tagging.

b. Asset Relocation

When a Capitalized Asset is moved to another College location (Inter-Campus) or to another building, room, or department at the same College location (Intra-Campus), the location must be updated in the Asset Management System.

- i. Five (5) business days prior to, or after moving or transferring a Capitalized Asset, the responsible Inventory Liaison must submit a 105-137 Asset Update Request form.
- ii. The form is routed to the Campus Storekeeper for asset updates in the Asset Management System.
- iii. An Asset Loan Request (105-005) is required when a Capitalized Asset is sent off campus to document the temporary location of the equipment, the date the Asset will be returned, and the responsible department.

1. Note: This form is most frequently used when an asset is sent offsite for repair or when on loan to another state agency.

2. This requirement does not apply to mobile equipment assigned to specific personnel (e.g. laptops, IPADs).

c. Surplus Property

NVCC is committed to handling property in a manner that is fiscally responsible and efficient while complying with applicable Department of General Services (DGS) Office of Surplus Property Management (OPSM) regulations. No employee, faculty or staff member may discard, give away or remove property from college grounds without approval by the Property Control Office.

Prior to submitting an item for surplus, effort should be made to redistribute or re-use property before classifying equipment as Surplus Property. ETF equipment is leased equipment and is not eligible to be disposed of as surplus until the lease expires and title passes to the agency.

- i. All college property, including a non-capitalized asset, that is no longer being utilized by a responsible department for any reason must be processed as Surplus Property.
- ii. To request disposal of college property, the responsible department must initiate a 105-121 Surplus Request form.
- iii. For bulk requests, the department will attach a Property Manifest itemizing serial number, model numbers, condition, and asset tag numbers if applicable.
- iv. Once a Surplus Request form is submitted, the Campus Storekeeper and the Surplus Officer will assess, verify accuracy, and approve or deny the form as appropriate.
- v. Asset(s) listed on the form are designated as surplus in the Asset Management System by the Controller's Office.
- vi. The Surplus Officer will schedule a time for the asset(s) to be stored in a temporary location until disposed of per DGS/OPSM procedures. The Surplus Officer cannot accept responsibility or transport surplus requests until the 105-121 manifest is approved and reconciled with the respective physical equipment.
- vii. Once the asset is physically removed, the Surplus Officer submits a 105-135 Inventory Disposal Authorization form and all supporting documentation to the Controller's Office for asset disposal in the Asset Management System.
- viii. The method of disposal of Surplus Property will be determined by the Property Control Office within DGS/OPSM guidelines.

d. Physical Inventory

Physical Inventory reconciliation is conducted every two years to properly safeguard assets and maintain fiscal accountability. Staff required to participate in physical inventory include the Property Control Office, Controller's Office, Campus Storekeepers, and Inventory Liaisons.

- i. Property Control generates the inventory list from the College Asset Management System (AIS-AM.)
 - ii. The Administrative Council Member is provided with a list of all assets assigned to their budget(s). The asset lists are then disseminated to the department liaisons to conduct the physical inventory of all assets.
 - iii. Inventory Liaisons are responsible for reconciling their assigned inventory. Reconciliation ensures Capitalized and Controlled Assets are accounted for with one of the following status':
 - 1. Located - the asset is in the campus, building, and room number that is currently listed in the Asset Management System.
 - 2. Missing - Any assets not located by the end of the Inventory cycle are considered missing. Notations for the missing status might include lost, off-site, or surplus/disposed assets.
 - 3. Discrepancy - Any asset that is located, but not physically in the campus, building and room as listed on the inventory reconciliation document is considered a discrepancy. Discrepancies include changes in location, and asset details (model, description, etc.).
 - 4. Note: a status of Missing or Discrepancy requires a manual entry in the note's column.
 - iv. Missing items not located by the close of inventory are considered lost and must be reported to the Office of Risk Management by the Inventory Liaison or Campus Storekeeper via a Report of Loss to State Owned Property. The Office of Risk Management will send the Report of Loss to the Property Control Manager, who will then submit a Property Disposal Authorization (eform 105-135) to the Controller's Office. At the end of each inventory period, the Campus Police are provided a list of all lost items.
 - v. Once the Physical Inventory reconciliation is complete, a copy of the reconciled inventory list must be attached to the Verification of Inventory Performed (eform 105-151) and submitted for final review. A single 105-151 and reconciliation may be submitted for multiple department codes within the respective Administrative Council member's unit.
 - vi. The Controller's Office will conduct a spot check of 10% of inventory performed. The Property Control Office will notify the Inventory Liaison if access is needed to locked areas to conduct the spot check. If a department does not pass the spot check acceptance threshold (80% accuracy), the Verification of Inventory Performed is returned for review and resubmittal. Two spot check failures within a Physical Inventory reconciliation will result in notification to the Vice President of Finance & Administrative Services and the respective Administrative Council member.
- e. ETF Equipment Replacement



- i. Lost, stolen, or inoperable ETF items with a depreciated value of \$500 or more must be replaced within 90 days of the date they were discovered missing. When replacing ETF items, the following qualifications must be included:
 1. Identify on the requisition that the order is to replace a missing ETF asset and provide the fixed asset tag number of the missing item as a comment on the requisition request.
 2. Replacement cost must be charged to the department that most recently had custody of the item.
 3. The replacement must be a comparable item.

f. Stolen or Damaged Property

If College Property is stolen or damaged, the Inventory Liaison, Custodian (assigned through 105-005 Asset Loan Request), or College employee most familiar with the incident must report the incident to the Campus Police and Office of Risk Management. The following guidance should be followed when reporting stolen property:

- i. The incident must be reported immediately, preferably within one business day.
- ii. A Report of Loss to State Owned Property must be submitted to the Office of Risk Management and Campus Police.
- iii. The Office of Risk Management will send the Report of Loss to the Property Control Manager, who will then submit a Property Disposal Authorization (eform 105-135) to the Controller's Office.
- iv. The Controller's Office will change the status of the asset from In Service to Disposed. This action will preclude the asset from appearing on future inventory reports.