

COMPTROLLER POLICY MANUAL

	POLICY: CMP 430-25
	Section: 400 Disbursements
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	Responsible office: Comptroller
	Origination date: 01/01/2000
Subject: Physical Count of Capital Equipment	Effective date: 01/01/2000
	Revision date: 02/10/2016

PURPOSE

To list and define the policy and procedure for physical count of capital equipment.

SOURCE

[NAU Property Control Policy](#)

POLICY

CMP 430-25: Physical Count of Capital Equipment

Acquisition and initial valuation

The University's fixed assets are initially recorded at cost. "Cost" includes all normal and necessary expenses incurred to make the asset ready for its intended use. These ancillary costs include, but are not limited to: freight charges, sales/use taxes, installation, assembly and testing charges.

Accounting for University property

The Property Control department shall be responsible for accounting for all University assets and ensuring that all departments within the University comply with the accounting requirements.

Identification of University capital assets

Capital equipment items must be tagged or otherwise identified as University property. The assigned identification tag number must be recorded on the fixed asset listings. The fixed asset system records the asset, cost, funding source, date of acquisition/disposal, and location of the asset and identification number, for all capital equipment.

Items are tagged (capital assets) if they meet the following criteria:

Individual items that have a value of \$5,000 or more including sales/use tax, freight and installation costs are considered part of the value of the equipment.

See [Property Control's web site](#) for additional information

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PROCEDURE

A physical count consists of the sighting, tagging, describing, recording, reporting the property concerned, and reconciling the property so recorded and reported with the fixed asset system. A physical count must be supervised and spot checked by the Property Control Department every year of the asset's life in each department's possession. Appropriate changes are entered on both the individual department's equipment listings and the fixed asset system. The equipment listings must be updated when changes take place (location, value, etc.) or when new assets are acquired.

Acquiring and Tagging new equipment:

When a department acquires equipment on a Purchase Order, correct account numbers are essential for determining capital vs. non-capital equipment (to select the appropriate codes, view the PeopleSoft account numbers in Enterprise Reporting).

To have newly purchased equipment tagged go to [Property Control's website](#) and fill out the tagging services form then e-mail it to NAU-PropAdmin@nau.edu.

Questions please contact Property Administration at 523-6206.

NOTE: WE CANNOT TAG ANY ASSET PURCHASED ON A PO THAT DOES NOT SHOW "RECEIVED" IN PEOPLESOFT FINANCIALS. YOUR DEPARTMENT MUST COMPLETE THE "RECEIVE ORDER" ON-LINE BEFORE WE CAN TAG YOUR NEW ASSETS. PLEASE ALLOW TWO DAYS FOR THE RECEIVED ITEM TO BE PROCESSED.

When Property Is Donated to NAU (Gift-in-Kind):

The department acquiring the gift:

Acquires all documentation transferring title of the equipment to the university. Obtains any required signatures accepting the equipment on behalf of the university (Vice President, Provost). Submits a copy of the donation form to Property Administration. Contact the Northern Arizona University Foundation at 523-2012 for the gift in kind form.

Property Control records the gift in the fixed asset system using the gift report information/value tags & inventories the item(s) using standard procedures

Individuals must immediately notify Property Control of equipment transfers from another institution or agency to NAU. Unless otherwise stated, title of equipment vests with the university at the time of the transfer. Property Control will then tag the equipment and add it to the property control system.

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Physical Count Procedures:

Departments are responsible for completing an annual physical count of all assets in their custody. Property Control shall notify the responsible person in the department of the date the physical count shall start and an approximate time for completion.

Instructions will be provided to the department to download the reports from Enterprise Reporting.

The department will then physically account for each piece of equipment by: checking the list, verifying the information, correcting and update missing information. The department will also record equipment which is not tagged but should be and/or note bar code tags that need to be replaced (illegible). Notes should be made regarding locations for any equipment on loan or moved to another location.

Upon receipt of the completed physical count, Property Control will then:

- update all assets found to show a current count date
- create a "missing list" of all items not found during the physical count
- supply the department with the "missing list" with a request to find those missing items (for equipment that cannot be located, a Property Control Authorization (PCA) form must be completed by the department with the appropriate approvals to remove the items from the fixed asset listing)
- update all missing assets in the fixed asset system to show a current count date
- Complete a physical spot check of 15% of the department's assets within 6 months of the completion of the physical count by the department.

For additional assistance and information, please contact [NAU Property Control](#).