



**New Jersey Institute of Technology
University Policies and Procedures**

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Subject: CAPITAL ASSETS - ACCOUNTING AND CONTROL

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A. OVERVIEW

Responsible management tenets, US accounting standards, and Federal regulations require that capital assets be properly accounted for and controlled.

B. PURPOSE

The purpose of this policy is to inform faculty, staff, and students working for the University of the requirements surrounding the proper accounting for, and control of, University owned capital assets, Government funded and furnished capital assets, and capital assets for which the University is accountable; and to ensure compliance with the requirements established by US Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and with the regulatory standards set forth in the Federal Acquisition Regulation (FAR) and Office of Management and Budget (OMB) Circular A-110.

This policy does not apply to intangible assets.

C. DEFINITIONS

Acquisition cost	The cost to acquire a capital asset.
Banner Finance	The University's financial reporting system.
Bar code tag	A decal affixed to moveable and fixed assets, where practical, which carries a unique control number.
Capital asset	Tangible permanent item owned by the University with an estimated useful life that exceeds one year, is used in the University's operations, and has an acquisition cost that equals or exceeds the University's capitalization thresholds.
Capital lease	Lease that meets at least one of the following criteria: <ul style="list-style-type: none"> • Ownership transfers to lessee at end of lease • Contains a bargain purchase option • Period is at least 75 percent of its useful life • Present value of lease payments is at least 90 percent of fair market value
Capitalization threshold	Amount at and above which an item is capitalized and below which an item is expensed.
CIP	Construction in progress
Depreciation	The accounting process of allocating the cost of a capital asset to expense in a systematic and rational manner to those periods expected to benefit from the use of the asset. Depreciation is not a matter of valuation, but a means of cost allocation. An asset is not depreciated on the basis of a decline in its fair market value, but on the basis of systematic charges to expense over its estimated useful life.
FAR	Federal Acquisition Regulation http://www.acquisition.gov/far/
FAS	Banner Fixed Asset System. The system used to track and calculate depreciation of the University's capital assets.
Estimated useful life	The period of time during which an asset is expected to physically perform its function.
GA	General Accounting Department
GCA	Grant and Contract Accounting Department
Gift-in-Kind	Non-monetary gift given to the University.
Government	Federal, State, or local governing bodies.
Government funded property	Property purchased or otherwise acquired with Federal, State, or local funds for the performance of a sponsored award. Title vests in the University unless otherwise specified in the sponsored award agreement.
Government furnished property	Property in the possession of or acquired by the Federal, State, or local government and subsequently delivered to

	or otherwise made available to the University for use under specified grants and contracts. Title remains with the Government.
Identifying label	Label affixed to equipment denoting equipment is Government funded or furnished or on loan from another institution.
Loaned equipment	Equipment either borrowed by the University from an external organization or loaned by the University to an external organization or individual.
Noncapital equipment	Tangible property having an estimated useful life of less than one year or an estimated useful life in excess of one year with unit cost of less than the University's capitalization thresholds.
OMB Circular A-110	Standards for obtaining consistency and uniformity among Federal agencies in the administration of grants to and agreements with institutions of higher education, hospitals, and other non-profit organizations. http://www.whitehouse.gov/omb/circulars/a110/a110.html
Obsolete	An item that can no longer meet its intended purpose and is no longer useful to the University.
Operating lease	A lease that does not meet the criteria of a capital lease.
PI	Principal Investigator
Property Control	The area within GA responsible for accounting, recordkeeping, and tracking of capital assets.
Property Custodian	Department, PI, or employee held accountable for the care, custody, and maintenance of all equipment for which he/she is responsible.
SRA	Sponsored Research Administration
University property	Equipment that is: <ul style="list-style-type: none"> • Purchased with non-Government funds • Acquired through private gifts or donations

D. TYPES OF CAPITAL ASSETS

Capital assets consist of several types of assets:

Buildings

Roofed facilities intended for the permanent or temporary shelter of persons or equipment.

Building Improvements

Renovations, additions, or repairs to physical structures that enhance or improve and extend the life of the original asset. General repairs and maintenance are not capitalized.

Land

The solid part of the earth's surface, whether improved or unimproved.

Land Improvements

Additions that enhance the usefulness and increase the value of land, such as walkways, driveways, fences, lighting, signage, and parking lots.

Infrastructure

Roads, sewers, water lines, and cabling.

Moveable Equipment

Items that are neither permanently affixed to nor part of a building. Moveable equipment includes computers, mainframes, office furniture, and vehicles.

Fixed Equipment

Equipment permanently affixed to a building, but separate from the building itself. Fixed equipment is generally contractor installed, and used as furnishings, decorations, or for specified purposes. Examples are counters, laboratory benches bolted to the floor, wall-to-wall carpeting, blinds, built-in projection equipment and screens.

E. CAPITAL VS. NONCAPITAL ASSETS; DEPRECIATION

1. Capital Assets

Expenditures for assets are capitalized by the University when they meet the capitalization criteria.

a. Capitalization Criteria

Any property or equipment that meets the following criteria must be capitalized:

- i. The asset is non-expendable tangible property
- ii. The asset is owned by the University
- iii. The asset is used in the University's operations
- iv. The asset is not intended for investment or sale in the ordinary course of operations
- v. The asset has an estimated useful life that exceeds one year
- vi. The asset cost equals or exceeds the capitalization threshold as set forth below

b. Capitalization Thresholds

Expenditures for assets are capitalized when the acquisition cost meets the following thresholds:

Moveable and fixed equipment	\$5,000 and greater *
Software	\$50,000 and greater
Land	Capitalized regardless of cost
Land improvements	\$50,000 and greater
Buildings	\$50,000 and greater
Building Additions/Major Improvements	\$50,000 and greater
Infrastructure	\$50,000 and greater

*Threshold increased from \$2,500 effective July 1, 2013.

- c. Costs That May be Capitalized
 - i. The net invoice price (after discounts or credits) of the equipment, including modifications, attachments, accessories, or auxiliary apparatus purchased at the time of acquisition, to make it useable for its intended purpose.
 - ii. Ancillary charges, such as taxes, duty, freight, installation, and protective in-transit insurance.
 - iii. New components that extend the useful life or capability of an existing asset.
- d. Costs That May Not be Capitalized
 - i. Separate warranty costs of maintenance contracts, including items for which periodic invoices are received either monthly or annually, such as software licensing fees and separate warranty costs of maintenance contracts.
 - ii. Equipment repair costs that do not add at least one year to the estimated useful life of the asset.
 - iii. Costs of modifications, attachments, accessories, or auxiliary apparatus acquired after the property has been placed into service.

2. Noncapital Assets

Noncapital assets are items that do not meet the capitalization criteria. Noncapital assets are expensed in the year purchased.

Noncapital assets are not recorded in the FAS. However, if an individual item such as a component part or accessory is part of a fabricated project, it must be capitalized even if its cost falls below its capitalization threshold. See “Fabricated Capital Equipment” section below.

3. Capital equipment is charged to capital equipment account codes. Noncapital equipment is charged to noncapital equipment account codes.

A complete listing of Banner account codes and their definitions can be found at <https://mis3.njit.edu/budgettf/data/ORBIT/finance/Exp%20Account%20Def%20updated%207-1-2012.pdf>.

4. Depreciation and Estimated Useful Lives

The University uses the straight-line depreciation method with the half year convention and a zero salvage value.

The following estimated useful lives are used for the University’s asset categories:

Land improvements	20 years
Building and building improvements	20 to 40 years
Equipment and other assets	3 to 10 years

Land is not depreciated because it does not have a determinable life.

Costs accumulated in CIP accounts are not depreciated since the asset has not yet been placed in service.

Fully depreciated assets remain in the FAS with their related accumulated depreciation for as long as the assets continue to be used in University operations.

F. METHODS OF ACQUISITION AND TITLE

The way capital equipment is acquired determines how it will be recorded and managed throughout its lifecycle. Equipment is acquired by the University through purchase, donation, fabrication, transfer-in from other institutions, Government funded or furnished equipment, loaned equipment, capital lease, or construction.

1. Direct Purchase

The majority of the University's capital equipment is acquired through direct purchase. The University follows the same procurement policies and procedures for the purchase of equipment as it does for the purchase of any other product or service.

Capital equipment purchase requisitions must be approved by the Property Control Manager for compliance with capitalization requirements. The Property Control Manager ensures that the item is properly charged to a capital equipment account code. In addition, purchase requisitions for capital equipment charged to a sponsored award are reviewed and approved by GCA to ensure compliance with the terms and conditions of the sponsored award agreement.

Property Control reviews copies of invoices expensed to capital equipment account codes to ensure the assets meet the University's capitalization criteria.

2. Capital Gift-in-Kind

The Office of University Advancement informs GA of any equipment gifts with an estimated fair market value that meets or exceeds the University's capitalization thresholds. The following information must be furnished to GA:

- a. Copy of the donor correspondence.
- b. An appraisal or other viable documentation supporting the fair market value of the equipment.
- c. A completed University Gift-in-Kind form accepting the gift, including the following information: description of the donated item, whether used or new, and its location.

Title to donated capital equipment vests with the University.

The donated assets will be capitalized in the FAS and tagged for inventory purposes.

3. Fabricated Capital Equipment

Fabricated moveable equipment is considered to be capital if it has a defined development period and meets the University's capitalization criteria.

The cost of fabricated equipment includes:

- a. Original invoice price (net of discounts/credits) paid for components
- b. All costs for shipping, handling, in-transit insurance, and storage related to delivery and installation of the asset's components
- c. All of the asset's installation costs, including site preparation
- d. All testing costs
- e. All books, manuals, and training necessary for the asset's operation

Costs associated with fabricated projects must be charged to account code 710031, Fabricated Equipment, while the project is in progress. Component parts and accessories that are part of the fabrication are to be included in the cost of the project, regardless of the dollar amount, provided that the total aggregate cost meets the University's capitalization threshold.

The Property Control Manager will only approve charges to the fabricated equipment account code while the project is in progress. If components and accessories are purchased on a separate purchase requisition from the original purchase order, the requisitioner must state on the purchase requisition the project to which the components or accessories are to be applied. It is the responsibility of the fabrication project manager to notify the Property Control Manager of changes to the original estimated completion date.

Once the fabrication project is complete and the capital equipment has been placed in service, the Property Control Manager will capitalize the project in the FAS.

4. Transfer-In From Other Institutions

The University occasionally receives property transferred from other universities, normally when new faculty members transfer their existing research. Title to such property vests with the University, unless otherwise specified in the sponsored award agreement. If the fair value of the equipment at the time of receipt meets the University's capitalization threshold, or the equipment is Government funded or furnished, the equipment will be recorded in the FAS.

The PI must complete the Equipment Status Adjustment Form (Exhibit I) informing Property Control that capital equipment is being transferred to the University.

Property Control will ensure that all relevant information necessary to tag and track the capital equipment and identify it as a transfer-in from another institution is entered in the FAS.

5. Government Funded or Furnished Capital Equipment

a. Government Funded Capital Equipment

Unless otherwise specified in the sponsored award agreement, title to capital equipment purchased or fabricated with Government funds will vest with the University. In special situations the sponsored award agreement may require that title to such capital equipment pass directly to the Government. In these cases, the University is prohibited from capitalizing the asset and recognizing depreciation expense. However, if the asset must be tracked, the asset is tagged, labeled, and entered into the FAS.

b. Government Furnished Capital Equipment

Sponsored activity may result in the University obtaining use and/or ownership of capital equipment outside the procurement process. If title passes to the University, the items must be valued by methods similar to those described in the "Capital Gifts-in-Kind" section above; if title does not pass to the University, the University is prohibited from capitalizing the asset and recognizing depreciation expense. The asset will be tagged, labeled, and entered into the FAS for tracking and control purposes. In either case, the PI is responsible for completing the Equipment Status Adjustment Form and submitting it to Property Control.

6. Loaned Capital Equipment

Capital equipment on loan to the University from an external organization must have prior written approval of the receiving department head/chair or his/her designee. Assets on loan to the University cannot be further loaned to an external organization or individual without the written approval of the title holder.

All equipment on loan to the University must be reported to Property Control by the Property Custodian using the Equipment Status Adjustment Form. Such assets will be entered into the FAS for tracking and control purposes. When the capital equipment is returned, the Property Custodian must notify Property Control via the Equipment Status Adjustment Form.

7. Capital Leases

A capital lease is a lease that meets one or more of the criteria set forth in the Definitions section above.

Equipment acquired via a capital lease is capitalized in the FAS.

The Purchasing Department must provide to Property Control copies of all lease agreements.

8. Constructed Capital Assets

Banner Finance accumulates costs of buildings, building improvements, land improvements, infrastructure, and fixed equipment being constructed in a CIP account until the project is completed and placed into service. Interest costs incurred during

construction projects are capitalized as part of the acquisition cost. Upon completion of construction and placement into service, the asset is removed from the CIP account and entered into the FAS.

G. USE OF CAPITAL EQUIPMENT

All capital assets are owned by the University and not by a specific individual, department, or other operating unit. However, accountability for capital assets is the responsibility of the Property Custodian.

1. Institutional Use

University and Government funded or furnished property is intended solely for institutional use. Use of Government funded or furnished property may be additionally restricted by the terms of a sponsored award agreement for which the capital property was acquired.

Federal Government funded or furnished property is subject to the following conditions:

- a. The University may not use the equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute, for as long as the Federal Government retains an interest in the property.
- b. The University may use the property in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. The property may not be encumbered without approval of the Federal awarding agency. When no longer needed for the original project or program, the University must use the equipment in connection with its other Federally-sponsored activities, in the following order of priority: (1) Activities sponsored by the Federal awarding agency which funded the original project; (2) Activities sponsored by other Federal awarding agencies.
- c. During the time that the property is used on the project or program for which it was acquired, the University may make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use must be given to other projects or programs sponsored by the Federal awarding agency that financed the equipment. Thereafter, preference must be given to projects or programs sponsored by other Federal awarding agencies. If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government is permissible only if authorized by the Federal awarding agency.

The PI is responsible for compliance with this policy and all terms and conditions of his/her sponsored award. The PI is accountable for the correct procurement, use, calibration, maintenance, and disposition of Government funded or furnished property, and is responsible for the physical security and control of the property.

Individuals requesting off-campus use (for institutional purposes) of equipment must obtain the approval of the department head/chair and complete the Equipment Status Adjustment Form. Property Control will update the FAS, as needed.

2. Loans to External Organizations or Individuals

University capital equipment loaned to external organizations or individuals must have prior written approval of the department head/chair or his/her designee. The borrower must furnish a certificate of insurance or statement of liability to cover the cost of the capital equipment. Such certificate will be maintained by the Associate Treasurer, Risk Management.

3. Personal Use

Personal use of University, Government funded, Government furnished, or loaned property is prohibited.

H. TAGGING AND LABELING OF CAPITAL EQUIPMENT

Moveable and fixed equipment meeting the capitalization criteria are tagged with a unique bar code tag and recorded in the FAS.

In addition, assets to which the University does not have title but for which it is accountable are also tagged, labeled, and entered into the FAS for tracking purposes. These assets are not capitalized or depreciated.

1. On-Campus Tagging and Labeling

Property Control is responsible for performing capital equipment tagging. To facilitate equipment inventory verification, the bar code tag is affixed, when practical, to the front of the equipment. Where equipment tagging is not possible because of the nature of the capital equipment, the equipment is recorded in the FAS with a unique asset number.

If equipment is Government funded or furnished or on loan from another institution, an identifying label is affixed under the University bar code tag. Under no circumstances can this label be removed until disposition approval has been received.

2. Off-campus Tagging and Labeling

Tagging of property at off-campus locations is the responsibility of the Property Custodian. The Property Control Manager will provide a pre-assigned bar code tag and, if required, an identifying label to the Property Custodian to be affixed to the equipment upon its receipt.

I. RECORDING CAPITAL EQUIPMENT

1. Initial Recording

a. University Owned/Titled Equipment

Once the equipment has been tagged, the following information is populated in the FAS, either by Property Control or via update from Banner Finance:

- Asset description
- Origination Tag Number and Date (Temporary tag number assigned by the FAS)
- Permanent Tag Number and Date (Bar code tag number or unique asset number assigned by Property Control)
- Unit of Measure
- Asset Type
- User Status (Invoiced, Gift, Disposed, Loan)
- Acquisition Information
- Acquisition and in-service dates
- Original acquisition cost
- Adjusted cost
- Depreciation method
- Depreciable life
- Model and Serial number of equipment
- Vendor or manufacturer
- Condition
- Physical location (building and room number)
- Banner Finance Fund number(s) used for the purchase
- Banner Finance Organization code(s) used for the purchase
- Banner Finance Grant code, if applicable
- Property Custodian ID
- Purchase order and invoice numbers
- Last inventory date
- Capitalization Fund
- Capitalization Asset account code
- Accumulated Depreciation account code
- Funding source (University, Government, other)

b. Assets for which the University is accountable (University does not own)

Once the equipment has been tagged, the following information is populated in the FAS by Property Control:

- Asset description
- Permanent Tag Number and Date (Bar code tag number or unique asset number assigned by Property Control)
- Asset Type
- User Status
- Acquisition Method

- Model and Serial number of equipment
- Vendor or manufacturer
- Condition
- Physical location (building and room number)
- Banner Finance Fund number(s)
- Banner Finance Grant code, if applicable
- Property Custodian ID
- Last inventory date

2. Reporting Status Changes

The Property Custodian is responsible for informing Property Control of any changes in the equipment's status by completion of the Equipment Status Adjustment Form. Property Control will update the FAS to reflect the equipment's updated status.

Following are examples of equipment status changes:

- Location
- Condition
- Equipment transferred from the University
- Surplus
- Sold. Attach copy of cash receipt.
- Reported lost or missing
- Off campus transfer to faculty, staff, or student
- Change in Property Custodian
- Equipment on loan

J. PHYSICAL SECURITY, MAINTENANCE, AND CARE

The Property Custodian is required to make adequate provisions for the physical security of capital equipment. Areas containing capital equipment should be kept locked after business hours or at other times when not in use. Special precautionary measures should be taken in the case of high value, portable, capital equipment.

The Property Custodian is responsible for exercising the necessary care to maintain the condition of the capital equipment in order that the longest useful life be obtained. Written approval must be obtained from the appropriate Government agency prior to making any major repair or rehabilitation to Government furnished property.

K. BI-ANNUAL PHYSICAL INVENTORY

Property Control conducts a bi-annual physical inventory of University owned capital assets, Government funded and furnished capital assets, and capital assets for which the University is accountable.

The purpose of the bi-annual physical inventory is to verify the existence of equipment recorded in the FAS; verify the location and condition of equipment; determine equipment disposals; identify obsolete assets on hand; and comply with Government inventory requirements.

Property Custodians are required to work with Property Control to conduct the bi-annual inventory and to resolve any discrepancies.

1. On-Campus Physical Inventory

The bi-annual physical inventory is conducted as follows:

- a. Property Control contacts the Property Custodian at least two weeks prior to the physical inventory to schedule the inventory.
- b. Physical inventories are done on a 100% wall-to-wall basis.
- c. The base records for the physical inventory are derived from records in the FAS.
- d. Verification of the existence of, and accountability for, the property is done through one of the following methods:
 - i. For tagged equipment, electronic scanning of the bar code number and physical verification.
 - ii. For nontaggable assets, physical verification.
- e. Attributes verified and reconciled to the property record include:
 - i. Asset tag number
 - ii. Description
 - iii. Manufacturer, Model, and Serial Number
 - iv. Location and Property Custodian
 - v. Use Status
 - vi. Condition
 - vii. Property Custodian
- f. Property Control follows up with the Property Custodian to resolve differences between the assets located by physical inventories and those reflected in the FAS.
- g. Property Control updates the FAS, as needed.

2. Off-Campus Physical Inventory

The Property Custodian is responsible for the physical inventory of equipment located off-campus.

- a. Property Control provides the Property Custodian with an inventory listing.
- b. The Property Custodian must verify that the equipment exists and is being used. All discrepancies, changes, or corrections must be noted on the inventory listing and returned to Property Control within 60 days.
- c. Property Control reconciles any discrepancies and updates the FAS, as needed.

3. Unlocated Equipment

If equipment is not found during two successive bi-annual inventories, the asset is deemed to be disposed of and is removed from the FAS. If unlocated equipment is Government funded or furnished equipment, Property Control will notify SRA and GCA, so appropriate notification can be made to the sponsoring agency.

4. Requests for Special Physical Inventories or Reports

Upon request, or when required by the terms of a sponsored award agreement, a complete physical inventory of assets acquired under the sponsored award will be taken by Property Control with the cooperation of the PI.

Required Government reports will be submitted to the appropriate agency by SRA or GCA, as appropriate.

L. METHODS OF DISPOSITION; SURPLUS ASSETS

1. Sale or Trade-In

- a. Sale or trade-in of University owned capital equipment is prohibited unless it is authorized by the Purchasing Department.
- b. For Government funded equipment, the PI must contact SRA prior to the sale or trade-in of equipment for appropriate authorization.
- c. Proceeds from the sale of University owned equipment is recorded as revenue in the University's unrestricted operating fund.
- d. For trade-ins, the requisitioner must include on the new equipment purchase requisition the bar code tag number of the equipment being traded in.
- e. After completion of the sale or trade-in, the Equipment Status Adjustment Form must be submitted to Property Control, which will update the equipment status in the FAS.

2. Transfer-Out

When a PI's research project is transferred to another institution, the awarding agency reserves the right to require the University to release the capital equipment for use by the new institution. The new institution must acknowledge receipt of the capital equipment. The items transferred will be removed from the FAS when a copy of the acknowledgement is received by Property Control.

3. Government Furnished Equipment Returned to Federal Agencies

The PI is responsible for reporting Government furnished equipment returned to Federal agencies to Property Control. Copies of the shipping document must be attached to the Equipment Status Adjustment Form.

4. Excess Government Funded or Furnished Capital Equipment

When Government capital equipment becomes excess to the sponsored award for which it was provided, authority to either use the property for other purposes or dispose of it is requested from the awarding agency by SRA.

5. Obsolete, Damaged, Surplus, or Impaired Assets

- a. Any asset that becomes obsolete, damaged, surplus, or worn beyond reasonable repair must be reported to Property Control.
- b. Property Control will inspect the asset to determine its condition.
- c. If the asset is found to have no further usefulness, Property Control will remove the asset from the FAS.
- d. Surplus equipment must be brought to the attention of the Purchasing Department.

6. Lost or Stolen Capital Equipment

When a capital asset has been lost or stolen, the Property Custodian or designee must inform the University's Department of Public Safety as soon as possible, but no longer than 48 hours after the occurrence, and request an investigation.

The Property Custodian or designee must inform Property Control via the Equipment Status Adjustment Form along with a copy of the Public Safety Report within 7 days if the property is not located within that time. Reports must contain the following information:

- Asset tag number
- Description of item(s) lost or stolen
- Date and time of incident
- Cause or origin of the loss or theft

In addition, when the lost or stolen property is Government funded or furnished equipment, the PI must also report the loss or theft to SRA, which is responsible for notifying the awarding agency. Such report will, at a minimum, contain the following information:

- Date of incident (if known)
- Equipment description, manufacturer, model number
- Quantity
- Sponsoring Agency's award number
- A statement indicating current or future need
- Estimated replacement costs
- All known interests in commingled property of which the Government property is a part.
- A statement that the Government will receive any reimbursement covering the loss or theft, in the event the University was or will be reimbursed or compensated.

- Copies of all supporting documentation (Public Safety Report)
- Last known location
- A statement that the property did or did not contain sensitive or hazardous material and, if so, that the appropriate agencies were notified.

7. Other

The University is relieved of responsibility for Government funded or furnished capital equipment, with the concurrence of the awarding agency, upon the occurrence of one of the following events:

- a. Retention by the University for consideration given to the Government.
- b. Sale of the capital equipment. Proceeds must be distributed in accordance with the provisions of the sponsored award agreement.
- c. Transfer of title to the University.

M. EQUIPMENT UNDER CONTROL OF SUBCONTRACTOR

OMB Circular A-110 and FAR apply to each agreement entered into by the University whereby Government funded or furnished property may come under the control of a subcontractor.

1. Whenever a subcontractor is in possession of Government funded or furnished capital equipment, SRA will ensure that the subcontractor has a property acquisition and control system that is in compliance with the requirements of FAR, OMB Circular A-110, and any other applicable Federal regulations.
2. SRA will require each subcontractor to submit property control reports to the University in such a manner and frequency as to allow the University to include Government funded or furnished capital equipment in possession of the subcontractor in its reports to the awarding agency.
3. SRA will incorporate appropriate terms in any agreement with a contractor having Government property in its possession or control in order to ensure that the property is utilized only as authorized, and that the property will be adequately cared for and maintained.
4. The subcontractor will assume responsibility for the capital equipment. This includes any reporting requirements, title transfers, and final report closeouts.
5. SRA will notify GCA when a subcontract provides for purchases of capital equipment with grant funds.

N. INSURANCE

The Associate Treasurer, Risk Management, is responsible for maintaining adequate insurance on all property owned by the University or for which it is accountable.

REVIEW:

Holly C. Stue 3/28/13
General Counsel Date

Paul M. M... 4/3/13
President Date

APPROVAL:

Kay Turner 4/1/13
Vice President for Date
Human Resources

Franklin... 3/27/13
Senior Vice President for Date
Administration and Treasurer

Fabianna Oach 3/27/13
Provost and Senior Vice President Date
for Academic Affairs

John Sebastian 3/28/13
Senior Vice President for Date
Research and Development

New Jersey Institute of Technology Equipment Status Adjustment Form

See attached instructions for completing form.

Property Custodian: _____ Department: _____
 Telephone Number: _____ Fax Number: _____

Action Code **	NJIT Bar Code Tag **	Purchase Order No.	Asset Description **	Transfer/Loan		New Property Custodian-Name and Extension ***
				From (Indicate Building, Floor and Room) ***	To (Indicate Building, Floor and Room) ***	

** Required information.
 *** Additional required information for action codes 1A, 1B, 1C, 2, 3, 9, 10, 11.

For equipment transferred to NJIT, complete the following:

Description			
Make			
Model Number		Serial Number	
Original Acquisition Cost		Acquisition Date	
Source of Funding (and title)			
Net Book Value			

Property Custodian			
Print Name	Signature	Extension	Date

Department Head/Chair/Sponsored Research Administration			
Print Name	Signature	Extension	Date

Purchasing Department		Property Control Update	
Approved by	Date	Performed by	Date

New Jersey Institute of Technology
Equipment Status Adjustment Form
Instructions

This form is to be used in conjunction with the University Policies and Procedures document PP 13-06 Capital Assets - Accounting and Control located at: <http://www.njit.edu/policies>.

General Information:

The Property Custodian is responsible for completing this form and obtaining appropriate signatures.

Department Head/Chair signature is required for all status adjustments.

Sponsored Research Administration approval is required for assets acquired under sponsored agreements or on loan in connection with a sponsored agreements.

Action Codes: Select one of the following codes that best describes the equipment status change:

Code	Description
1A	Government equipment transferred to NJIT. Title passes to NJIT.
1B	Government equipment transferred to NJIT. Title remains with Government.
1C	Nongovernment equipment transferred to NJIT. Title passes to NJIT.
2	Equipment transferred from NJIT to another institution. The University no longer has title to or is accountable for the property.
3	Equipment on loan to another institution. The University retains title and is accountable for the property.
4	Surplus
5	Sold. Attach copy of cash receipt.
6	Trade-in on new equipment. PO number for new equipment-P_____
7	Stolen. Attach copy of security report.
8	Obsolete/Impaired
9	Off campus transfer to faculty, staff, or student. University retains title and is accountable for the property. Must include name and phone number of new property custodian.
10	Equipment on loan to the University
11	Other (e.g., permanent change of on-campus location, change in property custodian). Explain in space provided below.

Questions regarding the Equipment Status Adjustment Form should be directed to Property Control at extension 7737.

Completed, signed Equipment Status Adjustment Form, along with supporting documents, are to be sent to:

Property Control
 Fenster Hall, Room 553