



INTRODUCTION:

New Jersey City University's ("NJCU") Fixed Assets Office is charged with the responsibility of inventorying, safeguarding, maintaining, and controlling fixed assets.

The Fixed Assets Office is committed to meeting the needs of NJCU and its departments and to ensure that state laws and NJCU regulations are followed.

NJCU is authorized to carry out the purchasing function through the general policies, guidelines and procedures of Chapter 64 of Title 18A of the New Jersey Statutes (The State College Contract Law). The Purchasing Department is the central purchasing authority for NJCU and is responsible for managing the procurement process on a University-wide level including orders, contracts and legal agreements associated with the acquisition of goods and services that support NJCU's initiatives.

PURPOSE:

To establish NJCU's policies and procedures regarding the guidelines for fixed assets and capitalization of purchases.

This document is intended to be the official method to assist all NJCU employees in understanding NJCU's fixed asset process. It has also been developed in accordance with New Jersey State statutes and NJCU policies. As a public institution, we are required to follow these regulations in the conduct of our day-to-day business.

SCOPE:

This policy applies to all faculty and staff and uniformly to all funds administered by NJCU such as departmental budgets, capital funds and restricted accounts including federal, state, and local grants, contracts and specially funded programs.

POLICY:

The Purchasing Department is responsible for making the final determination of source and supply of goods and services. These decisions will be made in conjunction with the department's user, as appropriate. The Purchasing Department serves as the exclusive channel through which all bids and quotations are handled. NJCU departments may correspond with suppliers in cases where informal prices are needed or where technical details are necessary. In such cases, proper communication and coordination with the Purchasing Department is required prior to committing to such purchases.

PROCEDURES:

There is no central Receiving Department for goods. Therefore, the department ordering the goods will be the responsible party to receive the items ordered and ensure that the goods received are correct. Generally, all orders are received with a packing slip. This packing slip will be compared against the items received. Proper receipt of goods will be acknowledged by signing and dating the packing slip.

Computer equipment purchased separately such as printers, which cost less than \$1,000, will be listed in the Fixed Asset System. Although these items will not be capitalized and depreciated, NJCU will be tagging these items with special tags and adding them to the list of assets that NJCU owns due to the environmental disposal laws as discussed in the "Disposal of a Fixed Asset." These items will be included in the Fixed Asset System and subsequent inventory counts will be performed on these items.

Upon receipt of goods purchased, a representative from the Fixed Assets Office will visit the department with a complete Asset Inventory Form (Appendix A) and tag the item(s) purchased. This tag is tracked in the Fixed Asset System, whereby, depreciation is calculated for capitalized assets. A copy of the packing slip will be given to the Accounts Payable Department for use in processing an invoice for payment in accordance with the Procurement Service Policies & Procedures.

Periodically, an inventory of all assets will be conducted for each Department. This inventory count will reconcile the items being carried in the Fixed Asset System with the items located in the Department. During the inventory count, all items will be counted and marked physically on a list of the assets for that Department. If any items can not be located, the Fixed Asset Accountant will seek the help of staff members in the Department in an effort to locate the item(s).

Location Change of a Fixed Asset:

Prior to transferring items from one Department to another an Inventory Transfer/Disposal Form (**Appendix B**) must be completed and forwarded to the Fixed Assets Office, Hepburn Hall, Room 102. Upon receipt of the form, the Fixed Assets Office will approve the transfer, make the appropriate change in the Fixed Asset System, and notify Housekeeping and initiating department. Upon receipt of the Fixed Assets Office's approval, initiating department will contact Housekeeping to make arrangements for the transfer of the asset from one department to another. When the transfer has been completed, Housekeeping will return the completed form to the Fixed Assets Office for recordkeeping.

Disposal of a Fixed Asset:

If a department determines that a fixed asset can no longer be used in their respective department, an Inventory Transfer/Disposal Form (**Appendix B**) must be completed and forwarded to Fixed Assets Office, Hepburn Hall, Room 102. Upon receipt, the Fixed Assets Office will approve the disposal, make the appropriate change in the Fixed Asset System, and notify Housekeeping and initiating department. Upon receipt of the Fixed Assets Office's approval, initiating department will contact Housekeeping to make arrangements for the disposal of the asset. Once Housekeeping disposes of the fixed asset, the form is sent by Housekeeping to the Fixed Assets Office with the original barcode of the disposed asset attached for recordkeeping.

Disposal of computers are to be disposed of properly in accordance with state and federal laws for environmental responsible disposition with the Computer Disposal Policy and Procedures and between the Information Technology Department and the Fixed Assets Office. If it is determined that computer equipment can not be reused or recycled, then it should be disposed of in accordance with NJCU computer disposal procedures.

Fixed Assets

A fixed asset is generally any asset purchased for use in the day-to-day operation of NJCU from which an economic benefit will be derived over a period greater than one year and a value of \$1,000 or more. Fixed assets include items of property and equipment such as buildings, office furniture, and computers. At the time a fixed asset is acquired, its cost (purchase price as well as costs to acquire, install, secure, and prepare the item for use) is capitalized and subsequently depreciated utilizing the straight-line basis over the asset's estimated useful life as follows:

Buildings	25-50 years
Land improvements	20 years
Infrastructure	20 years
Equipment	5-15 years
Vehicles	10 years

Items that are routinely purchased as a set, and have a value of \$1,000 or more will be capitalized and depreciated. For example, if a table and four chairs were purchased from the "same vendor" as a set, and the cost of the table was \$900 and the cost of each chair was \$250 for a complete total of \$1,900, then the purchase would be considered a capital expenditure. The total costs will be depreciated over the life of the asset.

Fixed assets with a value of less than \$1,000 per unit are expensed immediately using the following general ledger account codes:

50201 Equipment under \$1,000

50202 Furniture under \$1,000
50203 Software under \$1,000

NJCU does not capitalize works of art, historical treasures, or computer software purchased by licensure usage.

Buildings

Buildings include all buildings owned by NJCU, either purchased or donated, and any building improvements costing \$1,000 or more. This includes buildings used, rented, or held for investment as well as leasehold property. If there is uncertainty as to whether the project should be capitalized, the Fixed Assets Office should be contacted for assistance.

Land

Land includes all land owned by NJCU, either purchased or donated, and used, rented, or held for investment.

Land Improvements

Land improvements are modifications to outside areas. This includes installing sidewalks, parking lots, fences, and yard lighting. Land improvements costing \$1,000 or more are capitalized, otherwise, they are expensed in the period in which the improvement occurred.

Infrastructure

Infrastructure includes all items of campus systems improvements owned by NJCU costing more than \$1,000. Infrastructure items include roadways, sidewalks, passages, and utilities including steam tunnels, sewer systems, energy management systems, and electrical and telecommunication distribution systems. If there is uncertainty as to whether the project should be capitalized, the Fixed Assets Office should be contacted for assistance.

Equipment

Equipment is defined as any movable property, machinery, vehicles, computers, and furniture costing at least \$1,000 per unit that is not a replacement part. Component items that form one working equipment system are combined for capitalization purposes. The "system" definition applies to computer configurations, AV equipment, and scientific or manufacturing equipment. Additions to equipment that become either component parts or permanently connected to existing equipment items are also defined as equipment and should be capitalized, regardless of cost. Each item of equipment acquired will be assigned a serially numbered NJCU tag affixed to the equipment and marked "NJCU".

Vehicles

Vehicles are defined as all means of transportation that require a license plate to be driven outside of NJCU grounds. Vehicles include cars, buses, and trucks. If the vehicle does not require a license plate and can be driven, NJCU will refer to this as Equipment.

General Ledger Accounts

The following general ledger account numbers are to be used for purchasing all fixed assets:

- 19101 Infrastructure
 - 19102 Furniture
 - 19103 Land
 - 19104 Land Improvements
 - 19105 Vehicles
 - 19106 Buildings and Building Improvements
 - 19107 Equipment
 - 19108 Enterprise Software (eg. PeopleSoft software and license)*
- *Used by ITS and CIS only
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Appendix A



NJCU

ASSET INVENTORY SYSTEM

(Please Print All Information)

Custodian _____
Phone

Building _____
Room _____
Department

P.O. Number _____
Manufacturer's Vendor Name

Description _____
Mfg. Serial Number/Model #

Note

If you have any questions while completing this form, please contact **Fixed Asset Office at Ext. 3274.**

GL Account #

Asset Tag # _____
Asset Code _____ Insurance Code _____ Life/Yrs _____

Acquisition Date _____ Acquisition Value _____ Placed In Service Date _____

Entered By: _____ Date: _____

Inventory By: _____ Date: _____

REV. 11/18



INVENTORY TRANSFER/DISPOSAL FORM

PLEASE PRINT ALL INFORMATION

Equipment Description _____

Tag Color: Green Blue Red Brown JCSC Silver JCSC Green

Tag # _____ **Serial #** _____

Custodian Name: _____ **Ext: #** _____

Department Name: _____

Reason for Transfer or Disposal _____

CHECK ONE: **TRANSFER:** **DISPOSAL**
FROM: **TO:**

BLDG _____ **BLDG** _____

ROOM _____ **ROOM** _____

DEPT _____ **DEPT** _____

DISPOSED

FORM MUST BE AUTHORIZED BY DEPARTMENT SUPERVISOR

Preparer's Authorization _____ **Date** _____
(Please Print) (Last Name) (First Name) (Initial)

Custodian's Authorization _____ **Date** _____
(Please Print) (Last Name) (First Name) (Initial)

Supervisor's Authorization _____ **Date** _____
(Please Print) (Last Name) (First Name) (Initial)

Please return this form to the Fixed Asset Office located in Hepburn Hall Rm 102

CONTROLLER'S OFFICE USE ONLY

AUTHORIZED BY _____ **DATE** _____

DISPOSED/TRANSFERRED BY _____ **DATE** _____
(HOUSEKEEPING STAFF) - (PLEASE RETURN TO CONTROLLER'S OFFICE)