

ROSALIND FRANKLIN UNIVERSITY

OF MEDICINE AND SCIENCE

FIXED ASSETS POLICY

1. **Threshold.** All capital expenditure requests must be appropriately approved in accordance with the expenditure policy of the University. Equipment must be capitalized if the amount exceeds \$5,000. All requests for more than \$2,000 must be approved and signed by the Department Head and the Dean or Administrator.
2. **Purchase order.** All equipment purchases must be done through purchase orders. The following information must be included in the purchase order: the building and room number where the equipment will be located, model number, and serial number (if known). No personal reimbursements will be made to employees to cover any equipment purchases except in emergency situation.
3. **Buy or lease.** When cost of the equipment is substantial. A calculation should always be done first by the department whether it will be beneficial for the University to lease or to buy the equipment. The department buying the equipment can request the assistance of the Accounting Office in completing the analysis.
4. **Tagging.** Once the equipment ordered is received, the receiving department should check the serial number and model number of the equipment and affix the tag number to equipment conspicuously. The duplicate tag number must also be affixed to the receiving report that will be used by the Accounts Payable department in paying the equipment invoice. The Accounts Payable must enter the tag number in the system linking it to the original purchase order previously entered in the system.
5. **Equipment being moved.** Whenever the equipment is being moved, an Equipment Removal Request Form must be completed. This request must be approved by Department Head and Purchasing department and must indicate the purpose of the equipment move.
6. **Being moved within RFU.** If the equipment is moved to a new location within the University premises, the Equipment Removal Form must be completed and must indicate the building name and room number that will be the new location of the equipment. A copy of the form should be sent to the Accounting Office.
7. **Being moved off-campus.** If the equipment is moved outside the University premises, Removal Request Form must show the return date for equipment. The Security department must sign the form in order for the employee to take the equipment out of the building. Once it is returned, a copy of the Removal Form

must be returned to the Accounting Office with the signature of the department head and Security department. It is the responsibility of the department to make sure that the equipment is returned properly and timely. A monthly report will be provided to each department for which equipment has been borrowed but not returned.

8. **Obsolete or not in use.** For all equipment that are not in use or obsolete, the department can send the equipment to Purchasing department after completing the Equipment Removal Request Form. The Purchasing department will determine if any department is interested in using the equipment. If it cannot be utilized by other department, the equipment can be bought by the employee through a bidding process. Listing of equipment that will be sold to employees can be obtained from the purchasing department.
9. **Lost or stolen.** The University must be notified immediately for the loss of equipment so that proper Police/Security report can be completed. A memorandum should be sent to the Accounting Office including the equipment description, tag number if known.
10. **Trade-in.** The Removal Request Form must be completed and the equipment information especially the book value of the movable equipment to determine whether the trade in value is reasonable. This information can be obtained from the Accounting Office.
11. **Physical Inventory.** There will be an annual physical inventory of all University's recorded Fixed Assets. After the inventory is completed, a report will be given to each department showing the fixed assets they own at that date and a list of any missing equipment. The department must document and find a resolution for the missing equipment. Random inspection by department will also be done periodically to assure the existence of the fixed assets. With the proper accounting maintenance of the equipment, the University's fixed assets can be properly safeguarded and adequately covered by our current insurance policy.