

# POLICY CONCERNING ASSET MANAGEMENT

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## PURPOSE

The purpose of the policy is to provide guidance over the asset management of Associated Students, Inc. (ASI). This policy outlines the difference between consumable and non-consumable items and provides details on the disposal and reassignment of property.

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## WHO SHOULD KNOW THIS POLICY

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| <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Budget Area Administrators</li> <li><input checked="" type="checkbox"/> Management Personnel</li> <li><input checked="" type="checkbox"/> Supervisors</li> <li><input checked="" type="checkbox"/> Elected/Appointed Officers</li> </ul> | <ul style="list-style-type: none"> <li><input type="checkbox"/> Volunteers</li> <li><input type="checkbox"/> Grant Recipients</li> <li><input checked="" type="checkbox"/> Staff</li> <li><input type="checkbox"/> Students</li> </ul> |
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## DEFINITIONS

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For Purpose of this policy, the terms used are defined as follows:

Terms	Definitions
<b>Capital Asset</b>	Property of any kind held by ASI including property that is moveable or immovable, tangible or intangible, fixed or circulating.
<b>Non-consumable Items</b>	Items with a useful life of over one year.

## STANDARDS

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### 1. FIXED ASSETS CAPITALIZATION AND DEPRECIATION

Equipment purchases exceeding \$5,000.00 and having a useful life of at least two years shall be capitalized.

Capitalized assets will be depreciated based on the straight-line method of depreciation. Depreciation will be calculated monthly and posted to the general ledger at both month end and fiscal year end.

Expenditures extending the useful life of capitalized equipment will be capitalized. Expenditures that do not extend the useful life of a capitalized asset will be recorded as an operating expense.

A physical inventory of capital assets will be conducted annually independent of accounting personnel responsible for maintaining the fixed asset system.

## **2. PROPERTY DISPOSAL AND REASSIGNMENT**

The disposal of ASI property shall be subject to the following guidelines:

- The property no longer serves the needs of ASI (outdated, no longer utilized, not cost effective to retain, etc.).
- The property is no longer functional or presents a safety hazard and cannot be repaired in a cost effective manner.
- The property cannot be utilized in another department.

The method of disposal shall be approved by the Executive Director of ASI or designee and may include:

- Donation to a charity or community service organization approved by the ASI Board of Directors or the TSC Board of Trustees.
- Public or private offering sale or auction.
- Assignment to a refuse disposal firm.

## **3. NON-CONSUMABLE ITEMS**

All non-consumable items purchased with ASI funds shall remain the property of ASI.

Non-consumable items shall be defined as items with a useful life of over one year. This includes any item purchased for the purpose of research that will not be exhausted in the course of the research.

### **Distribution of Non-Consumable Items**

The program or funding council whose funds were used to acquire non-consumable items will work in conjunction with the ASI Vice Chair/Treasurer to determine where the items will be distributed once the initial purpose, project or research involving the items has been completed. While the final decision as to the distribution of the items remains at the discretion of the program director or funding council chair and the Vice Chair/Treasurer, all effort should be made to reuse the items for another purpose, project or research that is pursuant to the goals and policies of ASI.

At the end of each semester, each program or council will present to the Vice Chair/Treasurer a report listing all non-consumable items purchased with ASI funds valued at over \$1,000 during the previous semester. This report should also include information regarding the distribution of each of these items. This report will remain on file in the ASI Accounting Office.

Funded and Funding Councils wanting to purchase non-consumables must receive approval from the Vice Chair/Treasurer.

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**DATE APPROVED: 05/08/2018**