SUBJECT: FIXED ASSETS

I. PURPOSE

To outline Southern Utah University policy for establishing accountability for the fixed assets of the University.

II. FIXED ASSET DEFINITIONS

A. Equipment: Items owned by the University with an acquisition cost greater than value set by Regents policy R561, and with a life expectancy of one year or more. Acquisition cost to include full cost of purchase plus freight and handling charges. Equipment items have their own identity and are not attached permanently to any building.

B. Land: The real property or acreage owned by the University, valued at acquisition cost plus expenses incurred in preparing the land for use.

C. Buildings: The physical structures housing persons or property of the University. Buildings include items of equipment permanently attached.

D. Infrastructure: Items such as streets, tunnels, bridges, and utilities.

E. Land improvements: Items such as sidewalks, fences, landscaping and statues, which represent substantial value.

F. Library Books: All books purchased by the library for use as library books.

G. Works of Art: All items designated by the Braithwaite Gallery as additions to their permanent collection and other works of art acquired by the University.

H. Construction Work in Progress: Uncompleted buildings or land improvements in the process of completion.

III. POLICY

A. Equipment: Equipment is capitalized and inventories on the books of Southern Utah University based on full acquisition cost including freight and handling. Equipment acquisition cost must exceed minimum value per Regents Policy R561, and have a useful life expectancy of one year or more.
SUBJECT: FIXED ASSETS

1. All capitalized equipment will be inventoried. For accounting and financial control purposes the Controller’s Office may establish inventory limits less than capitalization limits stated in Regents Policy R561.

2. Non-inventoriable equipment: Departments have the same responsibility for controlling and maintaining non-inventoried equipment items as they do regularly capitalized equipment.

3. Transfer of equipment should be done in compliance with SUU Policy 7.5.E.

B. Buildings, Land, Land Improvements, Infrastructure, and Library Books

1. Land, buildings, infrastructure and land improvements are capitalized and inventoried based on acquisition cost (per Regents Policy R561).

2. Additions and/or improvements to buildings must be permanently attached and/or add value to the building and may include the following examples:
   a. Building expansions
   b. Utilities
   c. Central air conditioning
   d. Water heaters and water pumps
   e. Fire detection and sprinkling systems

3. Land improvements may include the following examples:
   a. Landscaping
   b. Statues
   c. Fences, walls, sidewalks

4. Infrastructure may include the following examples:
   a. Grounds irrigation systems
   b. Streets, tunnels and bridges
   c. Utilities

C. Repair and replacement items are not capitalized if they replace existing components to maintain the function or utility of the facility, and do not change the useful life or utility of the facility.
D. Assignment of equipment is made on a departmental basis. Each employee is the property custodian of all equipment in his/her office/classroom/area/etc. Property custodians are responsible to verify the equipment inventory at least annually. University equipment shall not be removed from campus without written approval of the immediate supervisor. Department records should be maintained which record the authorization for removal and location of equipment not located on campus.

E. Inventory personnel will conduct a physical inventory every two years. Inventory personnel will assist property custodians every year in verifying the equipment inventory.

F. Surplus property must be handled in accordance with SUU Policy 7.5.