
Property Policy

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I. Policy Statement

This policy implements Federal and State regulations regarding property acquired with Chico State Enterprises (CSE) or University Foundation (Foundation) funds. This policy covers the definitions of terms, capitalization and depreciation of fixed assets and identifies the various processes related to acquisition/procurement, coding, inventory tracking, reporting and disposition of property.

See Procurement Policy at

<https://www.csuchico.edu/cse/business-services-sponsored-programs/procurement-and-purchasing.shtml>

for procurement information and signature requirements for all property purchased with Foundation funds.

Equipment that is donated to the Foundation needs to be recorded as an in-kind gift. An in-kind gift form needs to be completed and submitted to the University Development and Advancement (UDA) Services Office. You can obtain the in-kind gift form by calling their office at (530) 898-5297. Even though the equipment is acquired differently, all sections of this policy apply to donated equipment as well.

See Section II for information related to property acquired from Campus Programs, Board Designated, Enterprise, General Fund, Annual Fund, Scholarship, and Endowment projects. Project number series 01000-09999, 30000-57999 and 80000-89999.

See Section III for information related to property acquired from a Grant or Contract. Project number series 58000-79999.

II. Campus Programs, Board Designated, Enterprise, General Fund, Annual Fund, Scholarship and Endowment Projects

This section covers the definitions and coding of property acquired using the project number series 01000-09999, 30000-57999 and 80000-89999, and for any donated property.

See [Section III](#) for information related to definitions and coding of property acquired with Grant or Contract project funds.

A. Campus Programs, Board Designated, Enterprise, General Fund, Annual Fund, Scholarship and Endowment Projects

1. **Custodian of Property:** A Custodian (project director) is the individual responsible for the property including preparation and submission of required forms. The custodian may be asked to report and verify the location and condition of the property.
2. **Fixed Assets - \$5,000 or greater:** Property, which includes real and capitalized property that is a tangible, non-consumable item, building, or building improvement having a normal useful life of more than one year and a minimum item value at acquisition of **\$5,000 or greater** (including sales tax, installation costs, shipping and handling). It may be determined at the time of acquisition or donation, that an asset could have an estimated life longer or shorter than the stipulated policy. In that instance, an assessment will be made of the useful life, which may be different from the prescribed term. All buildings and structures, and equipment/personal property will be capitalized, depreciated and tagged for inventory purposes. Land purchases are not depreciated. Fixed Assets are depreciated using the straight-line method.
 - a. **Real Property:** All building purchases, including land, land improvements, structures, and appurtenances thereto, excluding moveable machinery and equipment. (Appurtenance—Something that comes with the land, such as a garden or right of way).
 - b. **Capitalized Property:** Equipment and nonexpendable personal property having physical existence charged directly to or donated to any Foundation project with a useful life of more than one year and a minimum item value at acquisition or donation of **\$5,000 or greater** (including sales tax, installation costs, shipping and handling).
3. **Inventorial Property - \$1,500 to \$4,999:** Non-consumable, tangible property having a normal useful life of more than one year and a minimum item value at acquisition of **\$1,500 to \$4,999** (including sales tax, installation costs, shipping and handling). Inventorial Property is not considered a fixed asset by Foundation and will be tagged and tracked for inventory purposes. Items in this category include but are not limited to the examples listed below.

Examples:

 - Desktop/laptop/notebook computers, and servers
 - High-end scanners, plotters, copiers and laser jet printers
 - Digital cameras, camcorders, and portable video projectors
 - Microscopes, X-ray machines and spectrometers
 - Vehicles and trailers under \$5,000

Foundation strongly recommends that all desktops, laptops, tablets displays, printers and PDAs purchased for use on Foundation projects be selected from the campus Purchasing Recommendations list <http://www.csuchico.edu/usrv/hardware/index.shtml>. Additional costs for set up and/or maintenance will be assessed by the University and/or the Foundation for property not on the recommended list.

ALL computers must be purchased with a 3 year warranty. Failure to purchase a 3 year warranty might increase repair costs significantly for your project. All computing property out of warranty will incur costs for replacement parts and maintenance.

4. **Other Tagged Property:** Items (i.e., computers, printers, scanners, cameras, monitors, projectors, GPS units and microscopes) having a normal useful life of more than one year and a minimum item value at acquisition of **\$ 500 to \$1,499** (including sales tax, installation costs, shipping and handling).

Note: Due to security and electronic device disposal requirements, all devices (i.e., computers, laptops, Netbooks and tablets) that will store Foundation data must be tagged regardless of purchase price.

5. **Office Furnishings:** Desks, chairs, file cabinets, bookcases and similar items valued at acquisition from **\$100 to \$4,999 per item** (including sales tax, installation costs, shipping and handling). Office Furnishings will **not** be tagged or tracked for maintenance, repair or inventory.

Note: There are special review and approval requirements for modular furniture installed, moved or rearranged on University owned space. Please review the [FMS Modular Furniture Procedure](#) as soon as you become aware of any modular furniture purchases, rearrangements or moves.

6. **State Purchased Property /Partial Reimbursement by Foundation:** Any tangible property purchased in full by State and partially reimbursed by Foundation will be tagged, inventoried and maintained by State. State will retain title to the property.
7. **Component:** Parts that are purchased for the purpose of fabricating or adding to the value of property (Capitalized or to Inventorial property). This does not include replacement or repair items (i.e., memory, hard drives, and printer drums). Components are not tagged, but they are tracked by object code until the unit or time is completed. Foundation will tag the completed item or increase the value of an existing item.

- B. **Property Codes for Campus Programs, Board Designated, Enterprise, General Fund, Annual Fund, Scholarship, and Endowment projects:** Specific object codes will be used for items acquired from the project number series 01000-09999, 30000-57999 and 80000-89999. These object codes will be used at the time of acquisition to identify the various types of property acquired. Some items that are not tagged for inventory purposes are coded for Foundation information purposes only.

[Property Object Codes](#)

III. Grant or Contract Projects

This section only pertains to property acquired with Grant or Contract funds. The Foundation will comply with specific funding agency requirements, Governmental Accounting Standards Board (GASB), Generally Accepted Accounting Principles (GAAP), OMB A-110, and FAR, in relation to definition of terms, acquisition/procurement, coding, inventory, reporting and disposition of property.

RESP/Foundation staff will review the award documents and regulations applicable to the specific award, assign proper coding, in accordance with this policy, and apply appropriate procedures for acquisition/procurement, inventory, reporting and disposition of property.

A. Definitions Specific to Grant or Contract Projects

1. **Custodian of Property:** The Custodian (project director) is the individual responsible for the property including preparation and submission of required forms. The custodian may be asked to report and verify the location and condition of the property.
2. **Foundation Owned/Exempt:** Capitalized, Inventorial and Other Tagged property acquired with Foundation funds and title vests with the Foundation. Exempt is the term for items acquired in whole or in part with agency funds, (i.e., Federal, State, etc.) where the funding agency upon award has statutory authority to vest title in the recipient (Foundation) without further obligation to the funding agency.
3. **Funding Agency Owned:** Capitalized, Inventorial and Other Tagged property acquired with agency funds, where title vests with the agency. Funding agency regulations or language in award documents require title to vest with the funding agency, not the Foundation. If required by the funding agency, this property will be tagged with the Funding Agency's property tag in addition to the Foundation tag.
4. **Fixed Assets—\$5,000 or greater:** Property, which includes real and capitalized property that is a tangible, non-consumable item, building, or building improvement having a normal useful life of more than one year and a minimum item value at acquisition of **\$5,000 or greater** (including sales tax, installation costs, shipping and handling). It may be determined at the time of acquisition or donation, that an asset could have an estimated life longer or shorter than the stipulated policy. In that instance, an assessment will be made of the useful life, which may be different from the prescribed term. All buildings and structures, and equipment/personal property will be capitalized, depreciated and tagged for inventory purposes. Land purchases are not depreciated. Fixed Assets are depreciated using the straight-line method.
 - a. **Real Property:** All building purchases, including land, land improvements, structures, and appurtenances thereto, excluding moveable machinery and equipment. (Appurtenance—Something that comes with the land, such as a garden or right of way).
 - b. **Capitalized Property:** Equipment and nonexpendable personal property having physical existence charged directly to or donated to any Foundation project with a useful life of more than one year and a minimum item value at acquisition or donation of **\$5,000 or greater** (including sales tax, installation costs, shipping and handling).

5. **Inventorial Property \$1,500 to \$4,999:** Non-consumable, tangible property having a normal useful life of more than one year and a minimum item value at acquisition or donation of **\$1,500 to \$4,999** (including sales tax, installation costs, shipping and handling). Inventorial Property is not considered a fixed asset by Foundation and will be tagged and tracked for inventory purposes or if a requirement of funding agency. Items in this category include but are not limited to the examples listed below.

Examples:

- Desktop/laptop/notebook computers, and servers
- High-end scanners, plotters, copiers and laser jet printers
- Digital cameras, camcorders, and portable video projectors
- Microscopes, X-ray machines and spectrometers
- Vehicles and trailers under \$5,000

Foundation strongly recommends that all desktops, laptops, tablets displays, printers and PDAs purchased for use on Foundation projects be selected from the campus [Purchasing Recommendations](#) list. Additional costs for set up and/or maintenance will be assessed by the University and/or the Foundation for property not on the recommended list.

ALL computers must be purchased with a 3 year warranty. Failure to purchase a 3 year warranty might increase repair costs significantly for your project. All computing property out of warranty will incur costs for replacement parts and maintenance.

6. **Other Tagged Property:** Items (i.e., computers, printers, monitors, scanners, cameras, projectors, GPS units and microscopes) having a normal useful life of more than one year and a minimum item value at acquisition of **\$500 to \$1,499** (including sales tax, installation costs, shipping and handling).

Note: Due to security and electronic device disposal requirements, all devices (i.e., computers, laptops, Netbooks and tablets) that will store Foundation data must be tagged regardless of purchase price.

7. **Office Furnishings:** Desks, chairs, file cabinets, bookcases and similar items valued at acquisition from **\$100 to \$4,999 per item** (including sales tax, installation costs, shipping and handling). Office Furnishings will **not** be tagged or tracked for maintenance, repair or inventory. **Please Note:** Agency approval is required prior to purchase when office furnishings are purchased under a grant or contract.

Note: There are special review and approval requirements for modular furniture installed, moved or rearranged on University owned space. Please review the [FMS Modular Furniture Procedure](#) as soon as you become aware of any modular furniture purchases, rearrangements or moves.

8. **Agency Required Inventory/Lower Threshold:** Any tangible property **valued less than \$1,500** (i.e., hardhats, vests, pedometers, and saws) or office furnishings acquired with grant or contract funds where agency has a property tracking/reporting threshold below \$1,500.

9. **Funding Agency Owned-Agency Site Control:** Any tangible property acquired with agency funds and delivered to and/or under agency control. Foundation will work with agency at time of purchase to release the equipment/tangible property to agency depending on the

language in the award document. Once this release is in place, the Foundation will not tag, track or inventory property.

10. **Funding Agency Owned-Loaned to Foundation:** Any tangible property loaned to the Foundation by a sponsor. Upon receipt, the property will be tagged with a Foundation property tag for tracking and inventory purposes only. Foundation tag will be removed when property is returned to the sponsor.
 11. **State Purchased Property/Partial Reimbursement by Foundation:** Any tangible property purchased in full by State and partially reimbursed by Foundation will be tagged, inventoried and maintained by State. State will retain title to the property.
 12. **Component:** Parts that are purchased for the purpose of fabricating or adding to the value of property (Capital or to Inventorial property). This does not include replacement or repair items (i.e., memory, hard drives, and printer drums). Components are not tagged, but they are tracked by object code until the unit or time is completed. Foundation will tag the completed item or increase the value of an existing item.
- B. Property Codes for Grant or Contract Funded Projects:** Specific object codes will be used for items acquired from the project number series 58000-79999. These codes will be used at the time of acquisition to identify the various types of property acquired. Some items that are not tagged for inventory purposes are coded for Foundation information purposes only.

[Grant & Contract Property Object Codes](#)

IV. Acquisition (Form Completion)

- A. The Foundation [Property Inventory Form](#) (PIF) is required for property purchased with Foundation funds. A separate form must be completed for **each tagged item** listed on the purchase order or check request that meets the definitions in Section II or III in this policy. **Exception:** One PIF may be submitted when purchasing multiples of the same item. The number of items purchased must be indicated on the PIF. The Custodian (project director) is the individual responsible for the property including reporting the location and condition of the property to Foundation and must be listed on each PIF. The Property Management Office (PMO) will not tag a piece of Foundation property without a Foundation PIF with a Foundation Log number.
- B. The [Off-Campus Use of Foundation Property form](#) (available from the RESP Web site) is required for all tagged property that will be located at an off-campus project site (see V. A. below to determine off-campus status) or individual residence and all laptops/Netbooks/iPads/tablets regardless of location (see Exception). Complete this form at the same time the PIF is prepared for new purchases and prior to the move, for any Foundation tagged property that is moved to a Foundation project off-campus location or individual's residence. **Exception:** An Off-Campus Use of Foundation Property form is **not** required when the property (laptops/Netbooks/iPads/tablets) are primarily located on campus and checked in and out on a temporary basis. The project must maintain a log of temporary property users.

- C. Reimbursement requests for tagged property must include a copy of the PIF with a Foundation issued Log number and a property Tag number from the PMO. **Contact the appropriate Foundation office (RESP or FND Admin) for a Foundation log number prior to taking property to the PMO for tagging.**

V. Inventory Tagging and Tracking

- A. **On Campus (includes all property physically existing on the CSU, Chico campus, University Farm, Foundation-owned buildings, and funded project sites located in the Chico area):** The University Property Management Office will tag all property processed by University Shipping and Receiving or will work with the custodian of the property to tag items not previously tagged.

On an annual basis, PMO will verify the location of Foundation owned capital equipment and inventorial property (\$1,500-\$4,999) with departments.

On a bi-annual basis, the PMO will conduct a physical inventory of Foundation owned property, including funded projects located in the Chico area and send the results of the physical inventory to the Foundation. The Foundation will compare the results of the physical inventory to the most recent fiscal year property reconciliation and identify items not found within the past 24 months.

- B. **Off Campus (all property not included in the On Campus category):** Foundation will work with the custodian of off campus property to apply the bar-coded decals (or other identifiable coding) and conduct an annual physical inventory of all property located outside the Chico area every 24 months.

VI. Reporting

- A. **Reporting Missing/Stolen or Vandalized Property:** The Project Director or Department must contact the University Police Department immediately to report missing, stolen or vandalized property. **Complete and submit the [Property Management Form for Missing, Stolen, or Vandalized Equipment](#)** (form available from PMO x5176) to the Property Management Office and the appropriate Foundation office within five business days of incident and attach a copy of the police report including case number. For Funding Agency Owned Property, RESP will notify the agency and request their specific instructions.
- B. **Reporting Damaged Property:** Project Director or Department must **complete and submit the [Property Management Transaction Form for Surplus, Damaged or Transferred property to the Property Management Office \(PMO\)](#)** when item is damaged. PMO will forward a Property Survey Report (PSR) with attached Transaction Form to the appropriate Foundation office for property removal. For Funding Agency Owned Property, RESP will notify the agency and request their specific instructions.

VII. Disposition

- A. **Electronic Device Disposal:** Specific types of property (i.e., computers, LCD monitors, printers, PDAs, USB flash drives and other items such as disks, CDs, Zip cartridges and tapes containing data) have been designated as a Consumer Electronic Device (CED). These items are subject to the Electronic Device Disposal Guidelines. Please contact your Foundation

administrative office prior to the transfer, sale or donation of Foundation property or disposal of any device containing data, for specific processing requirements.

- B. Transferring Property to CSU, Chico (Stateside):** Foundation may transfer property, including Grant or Contract purchased property, upon approval by Funding agency. The [Property Management Transaction Form for Surplus, Damaged or Transferred property](#) must be completed and filed with the Property Management Office. Contact Foundation IT prior to transferring property.
- C. Sale, Donation, or Surplus of Property:** When planning to sell or dispose of any Foundation property, there are specific steps to be followed by the Property Custodian, Project Director, or Department before proceeding with disposition. Refer to [Instructions for Sale, Donation or Surplus of Property](#) or contact the appropriate Foundation office (RESP or FDN Admin) for assistance.
- D. Funding Agency or other Institution Owned Property**
At the completion and closing of a funded project, the Foundation will work with the funding agency or other institution to comply with their specific disposition instructions.
- E. Transferring to or from Another Institution:** Foundation may transfer property to or from another institution upon receipt of funding agency approval. If property being transferred was acquired with funds from a grant or contract, written approval from funding agency is also required. No funds can be exchanged for property acquired from a grant or contract. Contact the appropriate Foundation office (RESP or FDN Admin) for assistance.
- F. Loaned Property:** There may be times when Foundation loans property/equipment to another entity or another institution or a funding agency loans their property/equipment to the Foundation for temporary use. In these cases, the property will be monitored and tracked by the appropriate Foundation office (RESP or FND Admin) and will not be tracked through the PMO database. Contact the appropriate Foundation office (RESP or FND Admin) for assistance.

VIII. Property Reconciliations

On a quarterly basis, Foundation will request from the PMO a list of all dispositions/acquisitions of property and equipment to the Research Foundation inventory. The Foundation will reconcile this list to the property and equipment acquired or disposed of in the quarter.