

Effective Date: November 2020
Previous Version: None
Policy Owner: Chief Financial Officer
Approved by: President
Approval Date: 11/1/2020

FIXED ASSET MANAGEMENT

Policy Summary

It is the policy of NewU's to safeguard and maintain effective internal controls to manage its fixed assets, and to maintain proper records regarding the use and disposal of those assets. This policy applies to fixed assets acquired with funding originating from NewU or any external sources, and by gift or loan.

Related Regulations

It is necessary for NewU to safeguard and maintain its fixed assets in order to receive the maximum benefit from those assets, to comply with NewU's and any applicable donor requirements regarding the use and disposal of fixed assets, and to properly record and account for its fixed assets for financial accounting purposes.

Scope

The Policy on Fixed Asset Management applies to all NewU Faculty, and Staff.

Policy

Acquiring Fixed Assets

A fixed asset is any tangible asset acquired for use in the day-to-day operation of NewU from which an economic benefit will be derived over a period greater than one year and has a value of \$500 or more. Bulk purchases of \$500 or more of the same item (e.g., laptops or office chairs) or items used for the same purpose (e.g., various exercise machines for gym) will be capitalized as one item. Fixed assets include items of property and equipment, such as buildings, office furniture and fixtures, computers and other related technology equipment.

All fixed assets should be purchased through the approved NewU procurement methods.

Records Maintenance

CFO or his/her designee provides direct administrative support regarding the control and maintenance of fixed assets. The CFO may designate multiple people to this role, each responsible for a subset of assets. This includes tagging assets, assisting with or conducting annual inventories, record keeping, and general ledger reconciliation. That person records and reports on all purchases, acquisitions, gifts and loans, transfers, sales, or other disposal of fixed assets in a timely manner and in accordance with NewU's requirements.

That person keeps records of the manufacturer's name, the product number and description, the physical location, the asset tag number, the original cost, and the acquisition date, as well as any other information that is needed to establish and maintain control, protect, preserve and maintain all property. All records necessary for accounting purposes are prepared and maintained in accordance with general accounting guidance for the acquisition, capitalization, depreciation, and disposition of fixed assets in accordance with U.S. GAAP.

Inventories

The purpose of the physical inventory is to verify the existence, and location of fixed assets and to validate the accuracy of NewU's accounting records. The CFO or a person designated by the CFO conducts and manages an annual inventory for assets owned by NewU.

Disposal

To dispose of fixed assets, the person designated as responsible for the administrative support of the asset must seek approval subject to the thresholds defined in the Financial Management Responsibility Policy. NewU will explore avenues for disposal of fully amortized assets, such as making a charitable donation.

Loss or Theft of Fixed Assets

Loss or theft of all fixed assets, including electronic fixed assets, must be reported to the CFO and the COO as soon as discovered through the NewU E-Portal.

Definitions

Fixed Asset: Any property, plant, furniture, equipment, and/or software that equals or exceeds a unit cost or gift value of \$500, or a bulk purchase of same unit/similar purpose of \$500 and has a useful life of more than one year.

Disposal: The sale, transfer of ownership, or final disposal of any fixed asset.

[End]