



# VIRGINIA STATE UNIVERSITY (212)

## Fixed Asset Account Control System (FAACS) & SURPLUS PROPERTY

### FAACS Procedures

#### Background:

Federal and State fixed asset policies requires that all state owned equipment be Inventoried and entered in the Commonwealth's Fixed Asset Accounting and Control System (FAACS) immediately upon receipt. This policy memorandum establishes specific procedures for the acquisition, control, transfer and disposal of:

- Land - Category (1)
- Buildings -Category (2)
- Infrastructures (formerly Improvements Other Than Buildings - Category (3)
- Equipment and equipment component parts - (Category (4)
- Construction in progress

Virginia State University (VSU) shall adhere to all Federal and State Government requirements for fixed asset accounting regarding the acquisition, control, transfer and disposal of land, buildings, infrastructures, equipment and construction in progress.

A statewide policy for the capitalization of assets by State Agencies has been established by the State Comptroller and is defined as an asset that meets the following three criteria:

- Separate – a fixed asset is tangible in nature and complete in itself.
- Multi-Year Life - a fixed asset has an expected useful life of two or more years.
- Significant Value – a fixed asset, which individually has a value or cost of \$5,000 or more at the date of acquisition.

Within the FAACS system, two different categories of inventory have been designated:

- Capitalize – all tangible property that meets the State's capitalization criteria described above. All capitalized fixed assets must be included in FAACS and appropriately disclosed within the agency's financial statements.
- Controllable – is all tangible property with a value of \$2,000 to \$4,999 and/or with an expected life of less than two years and is required to be controlled. . Virginia State University has elected to control computers, printers and other electronic assets with a value less than \$2,000.00. For property management purposes, controllable assets may be entered into the system, but will be excluded from certain financial reports generated since these items are not disclosed in the financial statements

The Fixed Asset Accounting Control System (FAACS) is under the direction of the Director of Administrative Services The Director of Administrative Services is responsible for the inventory and control of all assets owned or leased by VSU.

Each asset acquired by the University is required to have a person responsible for the asset. The person selected, as the Responsible person is the account manager assigned to receive financial budgets for a specific expenditure and who are authorized to initiate purchase requisitions.

## Procedures:

### Acquisition by Purchase

1. All equipment purchased by VSU employees shall be consistent with procurement policies.
2. The Central Receiving staff shall immediately notify the FAACS staff of all new equipment received in Central Receiving or new equipment received directly to a department.
3. The FAACS staff shall tag all new equipment purchased by the University immediately upon receipt in Central Receiving or notification of direct receipt by departments



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#### Acquisition by Donation

4. Persons donating equipment to the University must contact the Vice President for Development. The Vice President for Development will meet with the Director of Administrative Services to determine whether the University should accept the equipment.
5. The FAACS Property Gifts or Donation Form will be sent to the appropriate department to verify that the equipment is compatible with plans approved to upgrade VSU equipment
6. The Director of Administrative Services shall contact the appropriate Vice President with his/her decision on whether to accept the equipment
7. If accepted, the Vice president shall sign the FAACS property Gifts or Donations form and send copies of the approved form to (1) the Purchasing Office, (2) the Vice President for Development and the Director of Administrative Services.
8. The Vice President for Development shall accept and acknowledge the donation
9. The FAACS staff shall tag all equipment donated to the University Immediately upon receipt.
10. If the equipment is not accepted, the Vice President for Development shall decline the equipment but acknowledge the act of kindness

#### Equipment Control

11. The FAACS staff shall record all equipment in FAACS identifying the Account manager as the responsible person. The Account Manager's position number and operating budget account number shall be included for each piece of equipment for which he is responsible
12. The FAACS staff should change the "responsible person" in FAACS upon receipt of a Change of Responsible Person Form. (See forms)
13. Any Departments that directly receive equipment from outside sources shall immediately notify the FAACS department.
14. The FAACS staff shall take the appropriate actions, as previously specified, to tag and record the equipment in FAACS.
15. The FAACS staff shall require each person leaving the University to sign a "clearance affirmation form" certifying that all equipment or property belonging to Virginia State University that was assigned to me during my employment at the University remains at the University.
16. The FAACS staff and Internal Auditors shall periodically conduct informal, unannounced inventories on capitalized and selected controlled equipment.  
Annually the Responsible person or his/her designated staff shall conduct inventories. Biannually, the Responsible person and his/her designated staff and the FAACS staff shall conduct a complete inventory of capitalized equipment.

#### Off-Campus Use

17. The off- campus use of university- Owned equipment is discouraged.  
However, when such events are unavoidable, all individuals using equipment must submit a FAACS Equipment Release Form to the appropriate Responsible person. (See Form ) The form must identify the person(s) taking the equipment off-



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campus, the equipment that is being taken off-campus, the destination or location of the equipment while off-campus, how long it will be off-campus, and the reason(s) it is being taken off campus.

18. The Responsible Person shall sign and date all FAACS Equipment Release forms to indicate his/her approval and send a copy of all approved forms to the FAACS office.
19. The FAACS office shall maintain a record of all equipment taken off campus.
20. The Responsible Person shall notify the FAACS Office in writing when equipment is returned to the campus and its condition. The FAACS office shall appropriately adjust the records.

### Lost, Stolen or Damaged Equipment

21. The Responsible Person shall immediately report in writing all lost, stolen, or damaged equipment to the Police and Security Department, the Internal Auditor, the Risk Management Office and the FAACS office
22. The FAACS Office shall adjust University records as appropriate.

### Transfer or Disposal of Equipment

23. Responsible Persons shall turn in all equipment for transfer or disposal to the FAACS Office using the FAACS Equipment Relocation Form or the FAACS Surplus Property Form, respectively. (See forms) The Responsible person will no longer be held accountable for the equipment once the FAACS staff receives it.
24. If the equipment can be used by someone else on campus the FAACS Department shall reassign the equipment to that Department.  
If the equipment cannot be used by anyone else on campus, the FAACS department proceeds with proper surplus procedures.

### Applicability and Effective Date:

This policy shall apply to all activities related to the acquisition, control, transfer, and disposal of purchased