



Responsible University Official:
Comptroller
Responsible Office: Comptroller's Office, Capital and Investing Reporting Department
Origination Date: December 1, 2004

CAPITAL ASSET MANAGEMENT POLICY

Policy Statement

It is the policy of The George Washington University to maintain effective internal controls to manage its Capital Assets (see definition below), and to maintain proper records regarding the use and disposition of those assets. This policy applies to Capital Assets acquired with funding originating with the University, Capital Assets acquired with funding from the Federal government or other external sources, and Capital Assets received by the University by gift or loan.

Reason for Policy/Purpose

It is necessary for the University to safeguard and maintain its Capital Assets in order to receive the maximum benefit from those assets, to comply with University and Federal requirements regarding use and disposition, and to properly account for its Capital Assets for financial statement purposes. As a recipient of Federal support under sponsored programs, the University must comply with Federal OMB Circular A-110, which sets forth the requirements for managing and safeguarding capital assets, with OMB Circular A-133, regarding program audit requirements, and with FAR, Part 45 – Government Property, which prescribes the minimum requirements that contractors must meet in establishing and maintaining control over government property.

Who Needs to Know This Policy

Faculty and staff who have responsibility for purchasing, maintaining or disposing of Capital Assets, including Chairs, Departmental Administrators, and Principal Investigators, as well as Central Administrative Offices such as the Procurement Department, Comptroller's Office, and the Office of the Chief Research Officer (OCRO).

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Policy/Procedures

Acquisitions

In accordance with the University’s [Procurement Card \(P-Card\) Policy](#), most purchases under \$2,500 per item may be made by use of a P-Card. Correspondingly, purchase of any item with a unit cost of \$2,500 or greater must be ordered through the Procurement Department on a Purchase Order and recorded through the Enterprise Accounting System (EAS). Per the [Procurement Card \(P-Card\) Policy](#), splitting a purchase of \$2,500 per item or greater into multiple transactions each less than \$2,500 is prohibited. Since Capital Assets are defined as items having a value of \$2,500 or greater, all Capital Assets must be purchased through the Procurement Department.

Operating Department Responsibilities. The Department is responsible for: 1) Identifying the need to purchase Capital Assets in a timely manner; 2) completing the necessary Purchase Requisition process in EAS; and 3) where the Department is selecting the vendor, providing supporting documentation for the selection of source decision process. In addition, the Department is responsible for notifying Capital and Investing Reporting whenever a gift or loan of Capital Assets is received. If the loan involves a sponsored project, the Department is also required to notify OCRO.

Procurement Department Responsibilities. For all purchases of Capital Assets, the Procurement Department will assist operating departments in properly selecting, obtaining, recording and coding the purchase and receipt of newly acquired Capital Assets.

Capital and Investing Reporting Department Responsibilities. The Capital and Investing Reporting department of the Comptroller’s Office provides direct administrative support to the schools and departments regarding the control and maintenance of capital equipment, furniture and plant assets. This includes tagging assets, assisting with or conducting inventories, record keeping, ledger reconciliation, and generating accounting reports. Capital and Investing Reporting records and reports on all purchases, gifts and loans, transfers, sales, or other dispositions of Capital Assets in a timely manner and in accordance with University and Federal requirements.

Capital and Investing Reporting department personnel generate reports of new Capital Asset purchases from the EAS system, enter the information into the FAS system (which

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is used to inventory assets and calculate depreciation), and then tags all new capital assets to provide physical evidence of custody by the University. Capital and Investing Reporting performs the same tagging for Capital Asset gifts and loans, based on information provided by the acquiring department. In extraordinary circumstances, where access to the Capital Asset is restricted for security reasons, the tagging may be done by other department personnel under the supervision of, and with documentation provided to, the Capital and Investing Reporting department. Capital and Investing Reporting prepares reports of all capital assets that have been newly acquired but are not yet tagged on a weekly basis for review by the Director, Financial and Accounting Operations.

Capital and Investing Reporting personnel will generate and maintain property management records for Capital Assets. Records include the manufacturer's name, the product number and description, the initial physical location and condition, 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 Government property in compliance with OMB Circular A-110 and the FAR, Part 45. All records necessary for accounting and audit purposes will be prepared and maintained in accordance with accounting principles generally accepted in the United States of America.

Inventories

The purpose of the physical inventory is to verify the existence, location, and condition of capital equipment in order to validate the accuracy of the accounting records. Capital and Investing Reporting personnel conduct and supervise inventories for Capital Assets purchased by the University or acquired with Federal funding as well as Government-furnished property and gifts and loans of capital equipment. Physical inventories of equipment are conducted on a schedule that is based on two-year cycles unless a shorter period is mandated by the sponsor. Capital and Investing Reporting reports any material unresolved differences to the Director, Financial and Accounting Operations for resolution.

Dispositions

When equipment acquired for a federally-sponsored project is no longer needed for that project, Capital and Investing Reporting personnel will work with the principal investigator, OCRO and other appropriate University personnel to identify and receive approval for a proper means of disposing of the equipment in accordance with OMB Circular A-110 and the FAR Part 45.

For disposal of surplus property in general, see the University's policy on [Surplus University Property](#). This policy is supported by the departmental desk procedures for each position.

Website Addresses for This Policy

[GW University Policies](#)

Contacts

Subject	Contact	Telephone
Capital Assets	Comptroller's Office	(703) 726-4200

Definitions

Capital assets	Any property, plant, furniture, equipment, and software that equals or exceeds a unit cost or gift value of \$2,500 and has a useful life of more than one year.
Disposition	The sale, transfer of ownership, or final disposal of any capital asset.

Related Information

[Procurement Card \(P-Card\) Policy](#)
[Surplus University Property](#)
Federal OMB Circular A-21
Federal OMB Circular A-110
Federal OMB Circular A-133
Federal Acquisition Register, Part 45 – Government Property

Who Approved This Policy

Louis H. Katz, Executive Vice President and Treasurer
Beth Nolan, Senior Vice President and General Counsel

History/Revision Dates

Origination Date:	December 1, 2004
Last Amended Date:	June 3, 2008
Next Review Date:	July 31, 2009