FIXED ASSET MANAGEMENT POLICY

Policy Statement

It is the policy of the George Washington University to safeguard and maintain effective internal controls to manage its Fixed Assets, and to maintain proper records regarding the use and disposition of those assets. This policy applies to Fixed Assets acquired with funding originating from the university, the Federal government or other external sources, and by gift or loan.

Reason for Policy/Purpose

It is necessary for the university to safeguard and maintain its Fixed Assets in order to receive the maximum benefit from those assets, to comply with university and Federal requirements regarding the use and disposition of Fixed Assets, and to properly record and account for its Fixed Assets for financial accounting purposes. As a recipient of Federal support under sponsored programs, the university must also comply with the Office of Management and Budget’s (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR §200) and for funding effective before December 26, 2014 - OMB Circular A-110, which sets forth the requirements for managing and safeguarding Fixed Assets, and OMB Circular A-133, which establishes program audit standards and requirements, collectively referred to as Federal Guidelines. In addition, Federal Acquisition Regulation (FAR), Part 45 – Government Property prescribes the minimum requirements that the university must meet as a Federal contractor in establishing and maintaining control over Government Property.

Who Needs to Know This Policy

Faculty and staff

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Acquiring Fixed Assets

Fixed Assets may be acquired through purchase or fabrication.

**Purchase**

All Fixed Assets should be purchased through the Procurement Department on a purchase order and recorded through the Enterprise Accounting System ("EAS"), or purchased via the iBuy+ system.

**Fabrication**

Under certain circumstances it may be necessary to fabricate a Fixed Asset from separate components, some or all of which may have a unit cost of less than $2,500.

To initiate a fabrication, the principal investigator/fabricator must fill out an "intent to build document." This document requires a short, descriptive name for the fabrication, a brief description of the asset to be fabricated, a total cost estimate, a useful life estimate, and a final completion date estimate. A copy of this document must be sent to University Accounting Services.

Principal investigators/fabricators initiating transactions involving fabricated assets must include the following statement on all relevant transactional documents (e.g., purchase orders, requisitions, P-Card statements, and transfer of P-Card expenses): "This transaction is in connection with the purchase of fabricated fixed asset."

The following accounts must be used for fabricated Fixed Assets:

- **58522- GW OWNED CAPITALIZED FABRICATION EQUIPMENT**
- **58523- NON-GW OWNED CAPITALIZED FABRICATION EQUIPMENT**

A fabrication must meet **all** of the following criteria:
1. The Fixed Asset has unique specifications and is described in the research proposal or award or other equivalent document. Details are specified in a dimensioned engineering drawing. When design changes occur, the engineering drawing must be updated.

2. The total cost for acquired materials, supplies, and components is $2,500 or greater. All items acquired for a fabrication must be permanently integrated into the resulting discrete Fixed Asset.

3. The completed Fixed Asset has an estimated useful life of one (1) year or more.

4. When completed, the Fixed Asset will not be affixed permanently to a building or structure.

5. The fabrication results in a unique, stand-alone, tangible Fixed Asset capable of specific identification and continuous control through tagging and periodic physical inventory. Components should be designed to remain at one position in the fabrication; they are not to be removed and replaced throughout the useful life of the fabrication.

6. The fabrication must be completed in ample time to directly benefit the sponsored project and used for its intended purpose. If it is a contract-deliverable item, it must be completed in time to meet the delivery schedule as outlined in the research proposal or award of the sponsored project.

**Records Maintenance**

The Fixed Asset Department of the Office of the Comptroller provides direct administrative support to the schools and divisions regarding the control and maintenance of Fixed Assets. This includes tagging assets, assisting with or conducting inventories, record keeping, ledger reconciliation, and generating accounting reports. The Fixed Asset Department records and reports on all purchases, acquisitions, gifts and loans, transfers, sales, or other dispositions of Fixed Assets in a timely manner and in accordance with university and Federal requirements.

The Fixed Asset Department generates and maintains property management records for Fixed 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 Federal Guidelines and the FAR, Part 45. All records necessary for accounting and audit purposes are 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 Fixed Assets in order to validate the accuracy of the university’s accounting records. The Fixed Asset Department conducts and supervises inventories for Fixed Assets purchased by the university or acquired with Federal funding, as well as government-furnished
property and gifts and loans of Fixed Assets. Physical inventories of Fixed Assets are conducted on an annual basis unless a shorter period is mandated by a particular sponsor. The Fixed Asset Department reports any material unresolved differences to the school or division finance director for resolution. A final asset report is approved by the school or division finance director at the completion of the physical inventory.

**Dispositions**

When Fixed Assets acquired for a sponsored project are no longer needed for that project, the Fixed Asset Department works with the principal investigator, OVPR and other appropriate university personnel to identify plans for the Fixed Asset and receive approval for proper disposal of the asset in accordance with Federal Guidelines and the FAR Part 45 or other applicable sponsor guidelines.

For disposal of surplus property in general, see the [Surplus University Property Policy](#).

**Loss or Theft of Fixed Assets**

Loss or theft of all Fixed Assets, including electronic Fixed Assets, must be reported to Risk Management and the Fixed Asset Department via the [Change in Fixed Asset Status Form](#). In the event an electronic Fixed Asset is lost or stolen, an [Office of Risk Management Incident Report](#) must also be completed in accordance with the [Laptop Computer and Small Electronics Theft Policy](#). If the electronic Fixed Asset contains regulated or confidential information, the Division of Information Technology must also be notified in accordance with the [Information Security Policy](#).

**Website Address for This Policy**

[GW University Policies](#)

**Contacts**

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<td>Fixed Asset Department</td>
<td>(703) 726-4113</td>
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<td>Reporting</td>
<td>Risk Management</td>
<td>(202) 994-3265</td>
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<td>Reporting</td>
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### Definitions

**Government Property**
Any property owned or leased to the Government or acquired by the Government under the terms of the contract. It includes both Government-furnished and contractor-acquired property.

**Fabrication**
Under certain circumstances it may be necessary to fabricate a Fixed Asset from separate components, some or all of which may have a unit cost of less than $2,500.

**Fixed Asset**
Any property, plant, furniture, equipment, and/or software that equals or exceeds a unit cost or gift value of $2,500 and has a useful life of more than one year, including items fabricated from individual components.

**Disposition**
The sale, transfer of ownership, or final disposal of any Fixed Asset.

### Related Information

- **Procurement Card (P-Card) Policy**
- **Surplus University Property**
- Office of Management and Budget’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([2 CRF 200](#))
- **Federal OMB Circular A-21**
- **Federal OMB Circular A-110**
- **Federal OMB Circular A-133**
- **Federal Acquisition Regulation, 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:** May 31, 2014
- **Next Review Date:** January 31, 2016