

# POLICY

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Approved By: President Sabah Randhawa

Authority: RCW [43.88.160\(1\)](#); [RCW 43.19.1917](#); [RCW 43.19.805](#); [WAC 200-360](#); [SAAM 30](#); [SAAM 35](#)

**Cancels:**

<b>Document #:</b>	<b>Document Title:</b>
POL-U5346.01	Identifying and Recording University Assets Policy
POL-U5346.02	Disposing of University Assets Policy
POL-U5346.03	Safeguarding University Assets Policy
POL-U5346.04	Accounting for University Assets Policy

**See Also:**

<b>Document #:</b>	<b>Document Title:</b>
<a href="#">FRM-U5346.01A</a>	Asset Control Custodian Delegation Form
<a href="#">STN-U5346.01A</a>	Conducting Physical Inventories of University Assets Standards
<a href="#">PRO-U5346.01A</a>	Conducting a Physical Inventory of a Department's Assets Procedure
<a href="#">GDL-U5346.01A</a>	Maintaining a Department Asset Tracking System Guidelines
<a href="#">POL-U4910.02</a>	Curating Art Policy
<a href="#">POL-U5346.05</a>	Inventorizing Consumable or Retail Assets Policy
<a href="#">POL-U5315.25</a>	Reporting Loss of University Funds or Property Policy
<a href="#">POL-U1500.08</a>	Using University Resources Policy
<a href="#">POL-U6000.01</a>	Giving Gifts to Western Washington University Policy

## **POL-U5346.01 MANAGING AND SAFEGUARDING UNIVERSITY ASSETS**

*This policy applies to all University employees to provide control and accountability over University assets.*

**Definitions:**

Inventoriable Assets:

For the purpose of this policy, items of economic value owned by the University regardless of funding source and are required to be inventoried. Inventoriable assets include capital assets, small and attractive assets, and firearms as defined below.

Capital Assets:

Per state rules (per SAAM 30.20.20), capital assets are:

- Tangible or intangible,
- Held and used in state operations,
- Valued in excess of \$5,000 (including ancillary costs),



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- Have a service life of more than one year, and
- Are required by the state to be documented as an asset rather than an expense.

Capital assets include, but are not limited to, land, infrastructure, improvements to land, buildings, leasehold improvements, vehicles, furnishings, equipment, collections, and assets acquired with Certificates of Participation (COPs).

### Small and Attractive (S&A) Assets:

Tangible items with a value between \$1,000 - \$4,999 that do not meet the state's capitalization criteria but are considered by the University to be particularly attractive and vulnerable to loss, thus subject to special property control such as, but not limited to, laptops, cameras, and firearms. Small and attractive assets are considered capital assets for purposes of marking and identifying, inventory records requirements, and physical inventory counts.

### Firearms:

All weapons, signal guns, and accessories, regardless of value.

### Intangible Assets:

Such as land use rights not acquired with the purchase of land, internally developed software, patents, and trademarks, with a cost of \$1,000,000 or more that are identifiable by meeting either of the following conditions:

- The asset is capable of being separated or divided and sold, transferred, licensed, rented, or exchanged, or
- The asset arises from contractual or other legal rights, regardless of whether those rights are transferrable or separable.

### Non-Inventoriable Assets:

Items purchased with University funds or donated to the University but are not required by the state to be inventoried.

### Inexhaustible Collections:

Collections that are held for public exhibition, education, or research in furtherance of public service, not financial gain and are protected, kept unencumbered, cared for, and preserved. Western's inexhaustible collections include:

- Art Collection – An individual work of art or group of items of original artwork such as paintings, sculptures, craftwork or other materials commonly identified as a work of art.
- Library Special Collection – Items of historical or literary significance, such as documents, maps, photos, and original books. This is referred to in the state regulations as the Library Reserve Collection.

### Custodial Department:

The University department who maintains the custody of and is responsible for the safeguarding of an asset.

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## **1. Chief Procurement Officer (CPO) Ensures Management of University Assets**

Under the purview of the Vice President for Business and Financial Affairs (BFA), the CPO is the delegated Agency Inventory Officer responsible for developing and overseeing processes designed to ensure:

- a) All acquired inventoriable assets whether purchased, donated, constructed, transferred, gifted, damaged, stolen, or disposed of, are appropriately recorded, inventoried, and disposed.
- b) Standards are developed for maintaining and disposing of non-inventoriable assets.

## **2. CPO Works with Financial Services to Establish Inventory Control Process**

The CPO works in coordination with the Accounting Services to implement an effective inventory control process in which:

- a) Appropriate inventory accounting methods and systems for acceptable alternatives are selected,
- b) Written physical inventory procedures are implemented,
- c) Inventory control points are defined and documented,
- d) Physical inventory is identified, recorded, conducted and reconciled,
- e) Selected inventory valuation methods are documented,
- f) Necessary action is taken to account for and report inventories, and
- g) A surplus program is maintained with best practice disposal methods.

Exceptions: Western's Art Collection and Library Special Collections are considered inexhaustible in that their value does not diminish over time and are not required to be capitalized therefore,

- a) The Director of Western Gallery is responsible for maintaining inventory and cost records for, and the disposal of, all items in Western's Art Collection. See the *Curating Art Policy* (POL-U4910.02).
- b) The Dean of Western Libraries is responsible for maintaining inventory and cost records for, and the disposal of, library resources and Library Special Collection.

## **3. Deans, Directors and Financial Managers Responsible for Safeguarding Assets**

Deans, directors and financial manager(s) ensure:

- a) An Asset Control Custodian (ACC) is delegated or they fulfill the responsibilities of the ACC if one is not delegated. See Section # 4.

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- b) Appropriate measures are taken to secure, protect, and preserve assets held and used by their colleges/departments including steps to discontinue privileged access of terminated employees, volunteers and non-employees,
- c) Internal procedures are established for approving and monitoring inventoriable assets removed from University property to conduct official business,
- d) Access to inventoriable assets is provided to inventory personnel in a timely manner for completion of the inventory process,
- e) Staff diligently attempt to locate missing assets when necessary, and
- f) Lost or stolen property is promptly reported in accordance with POL-U5315.25.

#### **4. Asset Control Custodian Responsible for Compliance with Inventory Control Standards and Procedures**

Each financial manager will delegate an Asset Control Custodian responsible for:

- a) Maintaining a department tagged inventory log with which tagged assets are tracked from point of purchase, to assigned employee/location, to surplus/disposal,
- b) Following written instructions from Asset Inventory Operations for conducting physical inventories and audits, and
- c) Following all related procedures, and
- d) Keeping the financial manager informed of inventory results and safeguarding issues.

Duties of the ACC ensure compliance with state asset inventory requirements. ACCs will attest to the receipt of responsibilities of an ACC as outlined in the *Asset Control Custodian Delegation Form* (FRM-U5346.04A).

#### **5. Employees Responsible for Maintaining and Safeguarding University Assets**

All employees are expected to be responsible stewards of University resources and assets by complying with applicable policies and procedures including prompt reporting any suspicions of misuse or loss.

#### **6. Inventoriable Assets Must be Appropriately Identified and Tagged**

The CPO will ensure procedures and relevant systematic processes are designed to ensure inventoriable assets, whether donated or purchased, are appropriately identified, coded, and tagged for proper reporting and tracking in the University repository.

All inventoriable assets must be permanently tagged according to state guidelines upon receipt to identify that the property belongs to the University.

Exceptions: Tagging is not required:

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- a) For the art collection or library reserve collection,
- b) The asset is stationary in nature and not susceptible to theft (such as land, infrastructure, buildings, improvements other than buildings, and leasehold improvements),
- c) When it is impractical or impossible, and/or
- d) When tagging would significantly reduce the value of the asset.

Accounting Services is responsible for controlling asset tags and ensuring adequate controls for safeguarding unissued, mutilated, and voided asset inventory tags are established.

### **7. Assets Acquired as Gifts Must be Reported to University Advancement**

Per the agreement between the University and the WWU Foundation, any gifts-in-kind donated to the University of any value must be reported to University Advancement via the [Gift in Kind Form](#).

### **8. Assets may be Removed from University Property to Conduct Official Business**

Employees may remove assets from University property only when it is necessary to conduct official University business, such as when working off campus, attending conferences or meetings, or when equipment is left in the field for monitoring. This includes, but is not limited to, cell phones, tablets, laptops or other communications devices.

Financial managers are encouraged to implement check-in/check-out procedures when appropriate for monitoring certain assets not assigned to a particular employee.

See also *Using University Resources* policy (POL-U1500.08) regarding personal use.

### **9. Periodic Risk Assessment Conducted to Assess Small and Attractive Assets**

A risk assessment (both financial and operational) will be performed periodically by the CPO and Accounting Services to:

- a) Identify assets that are particularly at risk or vulnerable to loss, and
- b) Determine if the additional controls implemented are effective in managing the identified risks.

The risk assessment will consider the [Office of Chief Information Officer IT policies and standards](#) for Mobile Computing and Media Handling and Disposal.

Western will implement specific measures to control small and attractive assets in order to minimize identified risks.

### **10. Physical Inventory of Assets is Required**

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A physical inventory of all capital and S&A assets is to be conducted in accordance with the *Standards for Conducting Physical Inventory of Assets* (STN-U5346.04A).

### **11. Assets Must be Appropriately Depreciated**

Accounting Services shall calculate depreciation on capital assets according to the Office of Financial Management useful life schedule.

### **12. Data Storing Assets Must Be Properly Wiped Prior to Disposal/Surplus**

Departments must dispose of data storing assets in accordance with the *Surplus Equipment Pickup/Transfer Request Form* (FRM-U5346.01A) to ensure sensitive data is appropriately wiped (removed).

### **13. Disposal of University Property Must Comply with State Rules**

No employee may dispose of an inventoriable or non-inventoriable asset regardless of condition without notifying the appropriate ACC or financial manager.

Departments must follow the *Disposing of University Assets and Surplus Property* (both inventoriable and non-inventoriable). See PRO-U5346.01A.

Both inventoriable and non-inventoriable assets available for disposal shall not be sold to state elected officials, officers or employees, except at public sale.

*Exception:* Commissioned police officers retired for service or for non-mental or non-stress related disabilities may purchase their career service handgun at private sale as used equipment (WAC 200-360-060).

### **14. Vice President for BFA Determines Use of Revenue from Sale of Assets**

The Vice President determines the amount and distribution of excess revenue resulting from the sale of capital and S&A assets.

*Exceptions:* As required by the state, proceeds from the sale of:

- a) Art collection items will be used for the direct care and acquisition of art collections.
- b) Library special collection items may only be used to acquire other items for the library special collection.

### **15. Inventory Records are to be Maintained**

Upon receipt and acceptance of an asset, the CPO will ensure:

- a) Inventory records are maintained in the Financial Repository in a manner as required by the state,

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- b) Records are updated in a timely manner in regard to the addition and removal of an asset,
- c) Known losses of assets are reported and documented in accordance with POL-U5315.25, and
- d) Records of asset dispositions are maintained in accordance with approved records retention schedules.

For the inexhaustible collections:

- a) The Director of Western Gallery maintains inventory and cost records for all items in the University's art collection (see POL-U4910.02).
- b) The Dean of Western Libraries maintains inventory records for library resources including its special collections.

All related documentation must be maintained for six years in accordance with the university's retention schedule.

### **16. Training Will Be Provided to the University**

The CPO and the Director of Financial Services will ensure a communication plan is established and implemented for this policy and its related procedures to support the University's efforts in tracking and protecting its assets.