



## **NEW YORK UNIVERSITY**

### **Asset Management Policies & Procedures**

(October, 2008)

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## **POLICY STATEMENT**

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New York University requires every school, department, or unit to acquire, record, inventory, and dispose of capital assets according to the guidelines provided in this document.

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## **REASON FOR POLICY**

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Capital assets comprise a significant part of New York University's resources and are integral to various involve considerable University funds, capital expenditures must follow an established review and approval process to ensure their appropriateness. Capital assets are also subject to various legal provisions (e.g., building codes, copyright laws, property rights, etc.) as well as specific Internal Revenue Service (IRS) requirements (the IRS for instance has specific rules on how capital assets given to the University as gifts are used, disposed of, recorded, and reported). To ensure University compliance therefore, all individuals involved in any transaction related to capital expenditures must know and understand all applicable laws, regulations, and requirements of donors and the government, as well as to maintain records related to the acquisition, recording, inventory and disposal of the University's capital assets.

This Policy and Procedures Manual has been prepared to provide information about the Asset Management Office and the University's requirements for the tagging of capital equipment. It provides both an overview of how Asset Management operates in order to maintain accurate inventory records, and describes the role of University departments in this process.

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## **ENTITIES AFFECTED BY THIS POLICY**

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All schools, departments, and units of the University.

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## **WHO SHOULD READ THIS POLICY**

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- School, Department, Unit Administrators
- Fiscal Officers
- Employees involved in the acquisition, management, control, and recording of capital assets and expenditures

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## **WEBSITE ADDRESS FOR THIS POLICY**

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This policy and related materials are found on the Asset Management Web site at ([www.nyu.edu/asset](http://www.nyu.edu/asset)).

## **RELATED DOCUMENTS**

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### **University Policies**

- Business Expenses
- Purchasing Policies and Procedures Manual
- Record Retention Policy

### ***Other Documents***

- Applicable IRS Regulations and Guidelines
- OMB Circular A-21 (Cost Principles for Educational Institutions)
- OMB Circular A-110 (Uniform Requirements for Federal Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations)
- OMB Circular A-133 (Audits of Institutions of Higher Education and Other Non-Profit Institutions)
- Specific Sponsor Agency Guidelines

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## CONTACTS

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Direct any general questions about University Policy Capital Expenditures, to your unit's administrative office. If you have questions about specific issues, contact the following offices:

<b>Subject</b>	<b>Contact</b>	<b>Telephone</b>
Policy Clarification	Financial Reporting	(212) 998 - 2973
Construction Projects	Office of Construction Management	(212) 998 -1001
Disposition of Equipment	Asset Management	(212) 998 -1040
Insuring Capital Assets	Insurance and Risk Management	(212) 998-2755
Maintenance (Facilities)	Facilities Help Desk	(212) 998 -1001
Purchase and Acquisition	Purchasing Services	(212) 998-1030
Sponsored Programs	Sponsored Programs Accounting	(212) 998 -2889
Tagging and Physical Inventory	Asset Management	(212) 998 -1040
Valuation of Capital Assets	Financial Reporting	(212) 998-2871

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## OVERVIEW

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The Asset Management Office is responsible for maintaining the University's capital equipment inventory. Capital Equipment refers to durable, self-sufficient movable property with a useful life of more than one year and a unit cost of \$3,000.00 or more. Components with unit costs of \$3,000.00 or more may be considered capital equipment if they are easily separable and can function apart from the main unit, regardless of University funding (i.e., sponsored).

\* Any item purchased with University funds is owned by the University and is intended for University use only

\* It is the University's policy that University owned items cannot be given or sold to employees regardless of condition.

Our objective is to provide current and accurate asset inventory information, to authorize disposal of University owned equipment and to offer quality surplus items to the University Community, in a courteous and professional manner. If you have any questions please feel free to contact us at [asset.management@nyu.edu](mailto:asset.management@nyu.edu) or call us at 212-998-1040.

The Policy and Procedures Manual has been prepared to provide information about the Asset Management Office and the University's requirements for the tagging of capital equipment. It provides both an overview of how Asset Management operates in order to maintain accurate inventory records, and describes the role of University departments in this process.

From time to time procedures will be added and/or deleted, and others updated.

The Asset Management website, [www.nyu.edu/asset](http://www.nyu.edu/asset), offers quick access to a variety of information including: Asset Management policies, procedures, forms, who's who, frequently asked questions and more.

## **SURPLUS FURNITURE AND EQUIPMENT**

### **Purpose**

- \* To inform departments of surplus items.
- \* To provide a mechanism which allows for the viewing of available items.
- \* To encourage recycling.
- \* To save the cost of purchasing new items.
- \* To relocate and recycle usable furniture and equipment

### **Procedure**

Asset Management posts a listing of surplus items on the Asset Management Web Site, [www.nyu.edu/asset](http://www.nyu.edu/asset). Departments may choose an item(s) from the list and either submit an online "Surplus Request Form" or call Asset Management at 212-998-1040 or email us at [asset.management@nyu.edu](mailto:asset.management@nyu.edu) to inquire about available items.

### **RELINQUISHING SURPLUS FURNITURE AND EQUIPMENT**

The department contacts Asset Management by completing and forwarding an Asset Surplus Form. Items submitted as surplus must first be made available to other NYU departments before they are donated or sold to outside organizations. The Senior Asset Inventory and Equipment Assistant follows the procedure for posting surplus furniture and equipment outlined above.

*See Forms Page: Asset Surplus Form*

### **Surplus**

Asset Management staff reviews the Asset Surplus Form and arranges for a physical inspection. The staff member inspects the item, determines its recyclable value and either post a digital photo of the item(s) to the Asset Management Surplus web page, or designates it for disposal. If the item is capital equipment, Asset Management uses the information from the Asset Surplus Form to update the inventory database.

Once an item is designated for disposal, the department should then contact FCM Client Services Center at 212-998-1001 to remove it from the premises. Under no circumstances should the department allow a University employee to remove the "disposed" item for personal use.

### **Acquiring Surplus Furniture and Equipment**

Surplus items such as desks, chairs, files, bookcases, etc. are available to all University departments. We encourage you to visit our web site at: <http://blogs.nyu.edu/asset/surplus/> to view digital photos of quality used items. Upon selection of an item(s), the department completes a Surplus Request Form and submits it online. Moving/relocation services will also be provided and charged to your department account.

*See Forms Page: Surplus Request Form*

# Tagging Newly-Acquired Capital Equipment

## Purpose

- \* Record and tag new capital equipment acquired by the University.
- \* Satisfy government requirements for reporting of assets.
- \* Provide accurate capital equipment inventory reporting for all departments.

## Notification

Asset Management is notified of capital equipment acquisitions via Purchasing Services (Purchase Order), the NYU Bookstore/Computer Store (Bookstore Order), Office of Construction Management (Contract), the Treasurer's Office (donations), Government Agencies (title transfers).

## Fabricated Equipment

Fabricated equipment is assembled on NYU premises (i.e. laboratory) from components valued less than \$3,000.00. Fabricated items are considered capital equipment when expenses total \$3,000.00 or more and the final product has a useful life of at least one year. Asset Management must be notified of all fabricated equipment. Asset Management must be notified by the department in order to have fabricated equipment tagged and added to the asset capital equipment database.

## Tagging

Asset Management staff locate and affix an inventory barcode tag to each piece of capital equipment, recording the physical location and providing a detailed description of each item.

\* City Grant Funding of Capital Equipment:

All current tagging policies and procedures will apply except for the following: Alternate distinguishable bar code labels will be affixed to capital equipment acquired through City Grant funding. Follow-up inventory will be initiated every six months from date of tagging with NYU department to provide specific contact person responsible for city grant. All current tagging policies and procedures will continue only for the duration of the City Grant (ie; 3 yrs. 5yrs. etc)

## Request for Tagging

Departments that need to have capital equipment tagged can contact Asset Management at 212-998-1040 to schedule an appointment with a staff member.

## Tag by Mail

Occasionally, capital equipment is located off-campus (i.e. a faculty member's home). An Asset Management staff member will contact the individual to confirm receipt of the item. Asset Management staff will fill out an Off-Campus Inventory Form including the recipient's name, address, phone number, item description, etc. This form will then be sent to the department along with a copy of supporting documents (i.e. Purchase Order) and an inventory barcode tag. Asset Management requests that the form be signed by the recipient confirming that the tag has been affixed to the item. The form should then be returned to Asset Management within 7 business days. Equipment which a department has authorized to be used for certain NYU related work outside of NYU must be returned to NYU at the end of its useful life, or earlier upon demand made by NYU for data/software deletion and proper disposal.

See Forms Page: Off Campus Capital Equipment Form

See Forms Page: Off Campus Equipment Acknowledgment Form

# Physical Inventory of Capital Equipment

## Purpose

- \* Update the capital equipment inventory database.
- \* Satisfy government requirements for reporting of assets.
- \* Provide accurate capital equipment inventory reporting for all departments.

## Initial Canvass

In the field, Asset Management staff canvasses a building scanning all tagged equipment. The scanning is accomplished with a barcode scanner, which captures and records the information. The information is then uploaded into the Asset Management inventory database.

## Retagging

Capital equipment is retagged and assigned a new inventory number when the capital equipment is found without a tag or if a tag is old or damaged. The acquisition record is revised and the inventory database is updated accordingly.

## Missing Item Search

Inventory reports are used to identify missing capital equipment not located during the initial canvass. With the help of key department contacts, it is determined whether the item was relocated or disposed. Items not found are given a code in the Asset Management system which designates them as "missing". Upon returning from the field, Asset Management will update the inventory database accordingly.

## Tagging Unrecorded Capital Equipment Located During the Inventory

Asset Management staff notes any unrecorded capital equipment located during the initial search. With the help of key department contacts, it is determined which items are owned by the University. These items are handled as newly acquired capital equipment and processed accordingly see "Tagging and Inventory of Newly Acquired Capital Equipment."

## Inventory Update

### Purpose

- \* Provide accurate capital equipment inventory reporting for all departments.
- \* Update the University's surplus equipment listing.
- \* Satisfy government requirements for reporting of assets.
- \* Update University departments on policies & procedures.

### Procedure

The department contact receives an inventory update packet including:

- \* Cover memo.
- \* Current department equipment listing.
- \* Listing of reply codes and instructions designed to provide for a comprehensive inventory review.
- \* Asset Surplus Forms.

Using the listing, the department contact performs the inventory review, signs the listing and returns it to Asset Management. Asset Management compares the inventory list with their current list and the updates are made accordingly to the inventory database.

## **Asset Disposition**

### **Purpose**

To maintain the accuracy of the equipment inventory database.

### **Procedure**

The department completes an NYU Asset Surplus Form to request authorization for disposal of any NYU Asset, and/or to report any surplus items.

### **Moves**

An NYU Asset Surplus Form must be filled out if items are being relocated. Asset Management uses the information on the Asset Surplus Form to update the equipment inventory database accordingly.

### **Disposals**

Asset Management authorizes disposal of an item after evaluating that the item cannot be used by other University departments. The NYU Asset Surplus Form is assigned by the Asset Management Supervisor to a department staff member. A disposal label is then affixed to each item by Asset Management personnel. Asset Management uses the information from the Asset Surplus Form to remove the item from the inventory database. Under no circumstances shall a University department dispose of an asset, capital or non-capital (located on or off campus) without approval from the Asset Management Office.

### **Computer Disposal/Surplus**

New York University requires the destruction of all data in computers or electronic storage devices prior to the surplus or disposal of these items, to ensure compliance with federal and state statutes associated with disclosure of confidential information, such as the Health Information Portability and Accountability Act of 1996 (HIPAA) and the Family Educational Rights and Privacy Act (FERPA), and to ensure compliance with software license agreements. All CRT's, computers, electronic storage devices and other electronic equipment collectively are referred to as 'computer equipment'.

Software and data files left on a hard drive, main frame, server, and/or electronic storage device could potentially be retrieved. This oversight can lead to conflicts with software license agreements and/or result in unauthorized access to University documents.

It is your department's responsibility to ensure that all computers and electronic storage devices including but not limited to hard drives, laptops, servers, have all personal and confidential University files removed.

### **Disposal of On-Campus Computer Equipment**

After the hard drive has been sanitized, please fill out a surplus form ([www.nyu.edu/asset](http://www.nyu.edu/asset)) and forward to the Asset Management Office. After Asset Management personnel have placed a disposal label on the equipment, then contact the FCM Client Services Center at 212-998-1001 to remove the items from your department.

### **Disposal of Off-Campus Equipment**

Equipment which a department has authorized to be used for certain NYU related work outside of NYU must be returned to NYU at the end of its useful life, or earlier upon demand made by NYU for data/software deletion and proper disposal. After the hard drive has been sanitized, please fill out a surplus form ([www.nyu.edu/asset](http://www.nyu.edu/asset)) and forward to the Asset Management Office. After Asset Management personnel have placed a disposal label on the equipment, then contact the FCM Client Services Center to remove the items from your department.

## Surplus of Computer Equipment

After the hard drive has been sanitized, fill out a surplus form ([www.nyu.edu/asset](http://www.nyu.edu/asset)) and send it to the Asset Management Office. Asset Management personnel will confirm that the item(s) are surplus, post a digital photo of the item(s) to the Asset Management Surplus web page or authorize it for disposal.

### Instructions to Sanitize Hard Drives

When disposing of a machine, first remove all the data (sensitive or otherwise) that is on it. This is important for two reasons. First, you do not want the next user of the system to have access to sensitive information (like research data, student information, financial data or patient information); and second, you do not want people to have unauthorized access to licensed software, such as Microsoft Word.

Warning: Just using the "delete" command or dragging items to the Trash does not remove the data from the disk. A plain "format" command is somewhat better, but a determined person could still access sensitive data. Some operating systems offer a "format and zero out all data" command, which is better, and is sufficient for machines which are being relocated within the University.

The easiest and most secure way to remove the data is to use a "wiping" tool that not only deletes the data, but overwrites each file with garbage data multiple times. You will need a disk or CD to boot the computer from before you run the tool, so that you can clean the whole drive. Be aware that the process will take some time (potentially hours if the drive is very large). Make sure that the tool you use has a feature to wipe the whole drive, not just empty space. There are many software programs that would work, so if you are unsure about whether a particular program is sufficient, check with NYU ITS' Network Security department at [www.nyu.edu/its/security](http://www.nyu.edu/its/security). If you do not wish to complete the sanitization process yourself, Purchasing Services has an agreement with a supplier who can provide this service.

To summarize, here are 3 easy steps you should follow to surplus or dispose of computers:

1. Sanitize the hard drives either using the Purchasing Services approved supplier or you may do this yourself.
2. Fill out an Asset Management Surplus Form.
3. Fax or mail the Surplus Form to the Asset Management Office.

Asset Management will post a digital photo of the item(s) to the Asset Management Surplus web page or authorize it for disposal. Contact the FCM Client Services Center at 212-998-1001 for removal of items indicated as disposal through Environmental Services.

### Trade-ins

Purchasing Services and Asset Management must be notified of items that are being traded-in towards the purchase of a new item(s).

### Donations

When the Asset Management Office deems an item obsolete and cannot be recycled within the University it may be donated to a not-for-profit organization. Asset Management in conjunction with the NYU Office of Community Services Projects maintains a list of not-for-profit organizations that are eligible to receive items. All not-for-profit organizations must sign a NYU Waiver of Liability Form, in order to receive a donation. All donations to not-for-profit organizations should be coordinated through Asset Management. The not-for-profit organization must also provide State or Federal documentation verifying their not-for-profit status. If you would like us to provide you with samples of the requested documentation, contact Asset Management at 212-998-1040.

Occasionally, capital equipment is donated to NYU departments by outside organizations. When these donations occur, the NYU receiving department or NYU Office of Sponsored Research must notify Asset Management by forwarding written documentation from the donating organization, indicating the item(s) being

donated and its market value. Asset Management will generate a Purchase Requisition to Purchasing Services with the supporting documentation. Purchasing Services will issue a Purchase Order for the specific donation (zero dollar amount). If the estimated value of the donated item is \$3,000.00 and over, Asset Management will tag and record the equipment as an NYU asset.