

UNIVERSITY of U.
WESTERN CAPE

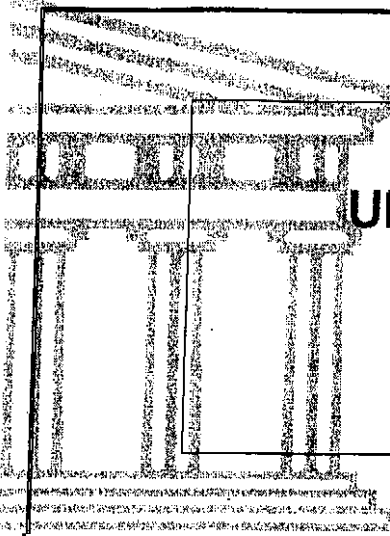
UNIVERSITY OF WESTERN CAPE (UWC)

PROCEDURE: FIXED ASSET POLICY & PROCEDURE

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UNIVERSITY OF THE WESTERN CAPE

FINANCE DEPARTMENT

FIXED ASSET PROCESSES

SUBMITTED BY

GRAY
DOOR



UNIVERSITY of the
WESTERN CAPE

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1. FIXED ASSET ACCOUNTANT PROCESSES

1.1 RECON OF REGISTER TO GL

On a monthly basis, the Fixed Asset Accountant shall:

- Obtain a ledger extract for moveable assets.
Obtain a report from Masterpiece listing invoices captured by running the "Extract Document Number" function.
- Compare *to* the Asset Register once the register has been updated.
- Follow up on any discrepancies.
- Adjust values and/or provide comments in respect of any differences in value.
- Reverse purchase orders captured incorrectly via journal entry.

1.2 DEPRECIATION

On a monthly basis, the Fixed Asset Accountant shall:

- Perform a month end closure on the system in respect of depreciation which interfaces the Fixed Asset subsystem to the GL.
- The depreciation entries are automatically generated once the above process has been performed. Perform a reconciliation of depreciation ensuring the GL has been adequately updated. Analyse the depreciation accounts to ensure that no purchase orders have been raised erroneously through the depreciation account. Resolve any errors *via* journal entry.

1.3 RECONCILIATION OF DISPOSALS

On a monthly basis, the Fixed Asset Accountant shall:

- Perform an exercise balancing disposals back to cost, accumulated depreciation and cash proceeds.
- Investigate any differences and raise the necessary adjusting journal entries in the following month.

1.4 RECONCILIATION TO COST ACCOUNT

On a monthly basis, the Fixed Asset Accountant shall:

- Perform reconciliation between the balance sheet and the cost account in the PPE Fund.
- Investigate any differences and resolve accordingly.

1.5 ASSET SALES

On a monthly basis, the Fixed Asset Accountant shall:

Download an extract of the Profit on sale of Fixed Asset account and match the entries to the relevant forms received from the Assets and Insurance division.

- Prepare a journal entry removing the relevant assets from the accounting records.
- Contact the Head: Assets and Insurance in respect of entries where there is no form.
- If the Head: Assets and Insurance has no record of the specific transaction, prepare a journal entry to debit the Profit on sale of Fixed Asset account and credit normal income.

1.6 ASSET DONATIONS

On a monthly basis, the Fixed Asset Accountant shall:

- Raise disposals on Masterpiece for all assets appearing on the list of donated assets received from the Assets and Insurance Department.
- Ensure that all assets donated to the University have been correctly processed via authorization of the relevant form - refer **Appendix C**.

1.7 INSURANCE CLAIMS

On a monthly basis, the Fixed Asset Accountant shall:

- Raise a disposal on SSAFM for each asset listed in the claims.
The appropriate system entries are automated.

1.8 IMPAIRMENTS AND REVISION OF USEFUL LIFE

It is the responsibility of the Fixed Asset Accountant on a yearly basis to:

- Arrange a meeting with management and technical experts to analyse each building and their components and revise residual values and estimated useful lives.

1.9 ANALYSIS OF LEDGER ACCOUNTS

On a monthly basis, the Fixed Asset Accountant shall:

Download the ledger extract for the following accounts:

- 141XXX and 142XXX range
- 150100 to 150120 (Restricted Funds Asset accounts)
- 12XXXX range (General Expenses) see attached list of actual accounts analysed in the expense range
- 1233XX R & M expenses

In respect of the 141XXX and 142XXX range, the Fixed Asset Accountant shall:

- Perform an analysis to determine whether the descriptions match the actual asset.
- Reclassify if necessary to ensure assets are recorded in the correct account.
- Assign entity numbers, account numbers and asset ID numbers (according to pre-determined Asset classes - refer **Appendix F** for an extract of the Template Asset Classes) where necessary. Prepare a journal entry to move the incorrectly recorded assets to the correct account (normally General Expenses).
- Present the journal entries to the Ledger team for processing.
- Request copies of all the invoices of the purchases in the fixed asset acquisition accounts from the Accounts Payable Department: write the entity, account and the asset template on each invoice and identify what should be captured from each invoice by the Asset Officer.
- Batch the invoices and send to the Asset Officer for processing onto the register. Should only part of the invoice be capitalized and the balance expensed or transferred to the non-capitalised asset acquisition account, a journal to this effect must be presented to the ledger team for processing.

In respect of the 122XXX range, the Fixed Asset Accountant shall:

- Inspect the entries for assets incorrectly recorded in this account.
- Prepare journal entries to journalize the assets out of the General Expenses account into the appropriate asset account.
- Present the journal entries to the Ledger team for processing.
- Request copies *cif* all the invoices of the purchases in the fixed asset acquisition accounts from the Accounts Payable Department: write the entity, account and the asset template on each invoice and identify what should be captured from each invoice by the Asset Officer. Batch the invoices and send to the Asset Officer for processing onto the register.
- Should only part of the invoice be capitalized and the balance expensed or transferred to the non-capitalised asset acquisition account, a journal to this effect must be presented to the ledger team for processing.

Please note: In accordance with segregation of duties, the Asset Accounting team do not have journal processing rights. All processing is performed by the Ledger team.

In respect of the Restricted Funds range, the Fixed Asset Accountant shall:

- Inspect the entries to identify assets.
- Request copies of the invoices from the Accounts Payable Department for the assets identified,
- Write the entity, account and the asset template on each invoice and identify what should be captured from each invoice by the Asset Officer.
Batch the invoices and send to the Asset Officer for processing onto the register.
Should only part of the invoice be capitalized and the balance expensed or transferred to the non-capitalised asset acquisition account, a journal to this effect must be presented to the ledger team for processing.
- Report any discrepancies/errors to the Head: Restricted funds for processing.

In respect of the 123XXX range Repairs and Maintenance, the Fixed Asset Accountants shall:

- Inspect the entries of expenditure for items which should be capitalized based on the nature of the work performed.
- Request copy of the invoices for the items identified to be journalized from the Accounts Payable Department.
- Prepare journal entries to journalize the expenditure into the appropriate asset account.
- Present the journal entries to the Ledger team for processing..

In respect of the Immovable Assets (Buildings) range (140XXX, 143XXX and 144XXX), the Fixed Asset Accountants shall:

Inspect the entries on a monthly basis in order to identify moveable assets which have been incorrectly recorded under the immovable asset range as well as general expenses which should be recorded under the appropriate expense account.

Prepare correcting journal entries.

Present the journal entries to the Ledger team for processing.

Request copies of invoices from the Accounts Payable Department to support journal entries.

If any moveable asset entries are identified, copies of these invoices must be requested from the Accounts Payable Department.

- The entity, account number and asset template must be written on the invoice.
- The invoices must be batched and sent to the Asset Officer for processing onto the register.

Additionally, on a yearly basis, the Fixed Asset Accountants shall:

Compare the ledger entries of entity 126005 to secondary work expenditure to determine which buildings assets must be allocated to.

- These assets must be correctly broken down into the various components of the building.
- An analysis of the accounts must be performed in conjunction with Cedric Achilles in order to determine which portion needs to be capitalized and which portion should be classified as work-in-progress.
- The journals for the above entries must be prepared and presented to the Ledger team for **processing**.

1.10 COPY OF INVOICES

- It is the responsibility of the Head: Accounts Payable to send copies of all invoices requested by the Fixed Asset Accounting team relating to asset purchases identified in the GI.
- It is the responsibility of the Fixed Asset Accountants to send the copies of the invoices relating to assets, once correctly recorded in the ledger, to the Asset and Insurance Division on a monthly basis.

2 ASSETS AND INSURANCE MANAGER PROCESSES

2.1 AWARENESS OF INSURANCE CLAIMS PROCESS

- It is the responsibility of the Assets and Insurance Manager to send out an email every three months to the Campus Community, providing details in respect of the Claims Procedures.
- The Claims Procedures must be attached to the email.
- Inform Asset Accountant.

2.2 CLAIMS PROCESS

In the event of an incident, the following processes are to be adhered to:

- The relevant staff member must immediately contact Campus Protection Services (CPS) as well as the Asset and Insurance Department.
- CPS shall send an investigator to the staff member within 24hrs.
- The investigator shall inspect the scene of the incident and record a written statement from the staff member.

The statement is to include, at a minimum:

- o A general statement of the incident.
- o Date and time.
- o Personal details of the staff member who came across the incident.
- o A description of the stolen goods.
- o Entity to which the asset belonged to.

The investigator must then send the written statement to the Assets and Insurance Division within 72hrs.

The relevant staff member must also lay a charge with the police in the case of theft.

The investigator shall also contact the police for a formal investigation.

In the case of Fire and Water incidents:

All fires, flooding must be reported immediately to the Campus Protection Services Control Room.

The operators will then contact the relevant operational services support staff for action to be taken.

The Assets and Insurance Manager must, upon receipt of the written statement:

Complete the relevant claim form using the information in the written statement.

Lodge the claim with the relevant brokers within 7 days of incident.

The Senior Asset Officer must supply the Fixed Asset Accountant with all claims on a monthly basis, indicating treatment of asset, expected outcome and status of claim.

2.3 ASSESSMENT OF CLAIMS

- The insurance brokers shall assess the claims received.
- The brokers shall contact the Senior Asset Officer in terms of what they require in the form of replacement quotes.
- The brokers shall inform the Senior Asset Officer of the outcome of each claim.
- Payment shall be made directly into the UWC bank account.

2.4 RECORDING OF CLAIMS

- The Senior Asset Officer must, within 7 days upon receipt of the claim outcome, retrieve the filed copy of the invoice and present the invoice to the Fixed Asset Accountant.
- The Fixed Asset Accountant must remove the asset from Masterpiece.
 - The Fixed Asset Accountant must also correctly account for the receipt of the cash in respect of the claim.

2.5 YEAR END AUDIT

- It is the responsibility of the Assets and Insurance Manager to assist the auditors in a yearly spot check of assets.

2.6 REDUNDANT/BROKEN ASSETS

Departments/faculties shall are required to inform the Assets and Insurance Division when they have redundant or broken assets which cannot be used anymore, or old assets which have been replaced by **new assets**.

The Asset team shall:

- Collect the asset from the Department concerned.
- Place the asset in the storeroom dedicated for this purpose.
- Decide on whether the asset can be re-used in another Department/faculty, or whether the asset is to be sold or donated.
- Ensure Departments complete an Asset Disposal form.

2.7 ASSETS DONATED BY THE UNIVERSITY

The Assets and Insurance Manager receives letters from various organizations requesting donations of assets from the University.

- The Assets and Insurance Manager contacts the organizations *to* inform them of the assets in the storeroom which meet their requirements.
- The organization shall collect the assets.
- The Assets and Insurance Manager shall retrieve the invoice relating to the donated assets from the filing system.
- The Assets and Insurance Manager shall remove all barcodes from the assets and present the invoices together with the donation letter to the Assets Division in the Finance Department for processing/removal from the system.
- The Asset and Insurance Manager must ensure the Asset Disposal form is completed and presented to the Fixed Asset Accountant for processing.

2.8 SALE OF ASSETS

The sale of assets involves the following processes:

It is the responsibility of the Assets and Insurance Manager, in conjunction with the Fixed Assets Accountant, to determine the price of any assets to be sold, taking into account the current value on the system.

- The agreed upon price must be authorised by the Director: Operations and Business Processes or the Director of Finance or Management Accountant if over R500k; EDFS prior to the sale taking place.
- For assets which have a barcode, the invoice must be retrieved from the filing system, and estimation based on the original price and the condition of the asset must be determined.
- For assets with no barcode, the price must be determined based on the condition of the asset with an estimate made as to the market value.

The Assets and Insurance Manager must obtain the invoice relating to the asset *to* be sold from the filing system.

Provide the person purchasing the asset with the price to pay for the asset as well as the account number which must be credited with the sale amount.

The purchaser must present these details at the Cashiers section and pay the stated amount.

The purchaser shall then provide the Assets and Insurance Manager with a copy of the receipt from the Cashiers section confirming payment of the sale price.

The Assets and Insurance Manager must then fill out a "Permission to Remove Purchased/Personal Assets or Equipment from the University Premises" form, recording specifically a description of the asset sold and the barcode number, if applicable.

- A copy of the receipt must also be attached to this form.
- The permission form, together, with the invoice and a copy of the receipt, must be sent to the Assets Division on the Finance Department for processing.
- The Assets and Insurance Manager must ensure that the Asset Disposal form has been completed and sent *to* the Fixed Asset Accountant for processing.

Please note: Certain of the assets in the storeroom are neither sold nor donated, but are kept specifically for campus community and Departmental requests.

2.9 REMOVAL OF ASSETS FROM UNIVERSITY PREMISES

If staff members or students need to remove university assets from the premises for official business then the procedure is as follows:

- A letter from the head of the Department, addressed to the Head: Assets and Insurance must be brought to the offices of the Head: Assets and Insurance.
- The letter must clearly state the name of the person that will take the asset/s off campus, what equipment will be taken off campus and the period the equipment will be off campus.
The person taking the equipment off campus needs to personally bring the letter to the Assets and Insurance Department.
A standard permission to remove assets form will then be issued in duplicate to the person. The blue copy is given to the security officer at the exit gate and the white copy is to be kept by the person taking the equipment off campus.
- After the equipment has been returned to the Department, the Head of the Department must sign the white form, confirming that the equipment has been returned.
- The white form must be returned to the Assets and Insurance offices.

The above procedure also applies when equipment needs to go for repairs off campus.

2.10 DECLARATION OF PERSONAL ASSETS

All personal assets must be declared when entering the university premises.

If personal assets are not declared, then the Head of the Department must write a letter of confirmation to the Head: Assets and Insurance whereby a permission to remove assets form will be issued.

2.11 COMMUNICATION TO FINANCE DEPARTMENT

It is the responsibility of the Asset and Insurance Department Manager to inform the Fixed Asset Accountant of all asset disposals, donations to and from the University as well as transfers between Departments by presenting the relevant forms to the Fixed Asset Accountant.

3 ASSET OFFICER PROCESSES

3.1 RECEIPT OF INVOICES

Copies of all invoices relating *to* the purchase of assets are presented *to* the Senior Asset Officer. The additional information captured by the accounting clerk on the invoice is as follows:

Entity number

Account number (according *to* asset class schedule (refer **Appendix F**)

Asset template, e.g. 2009 CE003 (year of purchase - 2009, CE = Computer Equipment, 003 = desktop).

3.2 BARCODING PROCESS

Please note: Barcode numbers are not directly linked *to* asset classes - they are merely sequential.

The Senior Asset Officer must perform the following upon receipt of the invoices:

- Take the next barcode number in line.
- Affix a physical barcode tag onto the invoice.
- Write the barcode number on the invoice.
- Upon completion of the above processes, divide the invoices up amongst the 3 Asset Officers.

The Asset Officers must perform the following:

- Email the asset buyer and make an appointment to barcode the asset in question. Go to the specific Department where the asset on the invoice is physically located.
 - Upon location of the asset, verify the actual asset against the description on the invoice.
 - Take the barcode tag off the invoice and affix it to the asset.
- Write the physical location of the asset on the back of the invoice.

Access FA464 on Masterpiece and record the following:

- o Asset ID (barcode number)
- o Building
- o Room number
- o Department
- o Owner
- o Model number

*Please refer to **Appendix A** for a screenshot of the detail to be captured in respect of each asset.*

3.3 RECORDING OF ASSETS

Once the asset has been physically bar-coded, the Senior Asset Officer must perform the following:

Access FA400 on Masterpiece and capture the relevant information relating to the asset:

- Asset ID (barcode number)
- Business Org ID (???)
- Template asset ID (written of invoice by the Accounting clerk)
- Acquisition date (date of purchase - invoice date).
- Cost of the asset (inclusive of VAT).
- Quantity
- Specific Description
Asset status (A= active)
- Purchasing authority (buyer responsible for purchasing the asset).
Vendor ID
Asset serial number
- Invoice ID (invoice number).
- Entity
- Press FS to update once all the information has been satisfactorily captured.

*Please refer to **Appendix B** for a screenshot of the detail to be captured in respect of each invoice.*

3.4 -TRANSFER OF ASSETS BETWEEN DEPARTMENTS

It is the responsibility of the Senior Asset Officer to:

Liaise with departments/faculties in respect of the transfer of assets between Departments.
Ensure that the Transfer of Assets between Departments form (refer Appendix E) is completed and authorised by the relevant Departments.
Capture the new location of the transferred asset.
Present the transfer form once captured to the Fixed Asset Accountant.

4 FACULTY PROCESSES

4.1 DONATIONS TO UWC

If an asset is donated to the University, then the respective faculty/Department member must perform the following:

- Complete the Assets donated to the University form (Refer **Appendix C**).
- Present the form and the valuation invoice received from the supplier to the Fixed Asset Accountant for processing.
- Raise a journal based on the valuation amount received from the supplier and submit to the Accounts Department for processing. A copy of the valuation invoice is to be submitted to the Assets and Insurance Department for the asset to be bar coded and entered onto the Fixed Asset Register.
Raise a journal with a nil value and present the journal to the Asset and Insurance Department for processing.

4.2 DONATIONS BY UWC

All assets to be donated must be declared to the Asset and Insurance Department via completion of the Asset Disposal form (refer **Appendix D**) which must be presented to the Asset and Insurance Department.

- No assets may be donated by Departments/faculties except via the Asset and Insurance Department.

4.3 ASSET DISPOSALS

All Asset Disposals must to be communicated and co-ordinated via the Assets and Insurance Department.

- Departments/ Faculties must complete the Asset Disposal form (refer **Appendix D**) and present this form to the Assets and Insurance Division.

4.4 PURCHASING OF FIXED ASSETS

- The university has a decentralized purchasing system, whereby Departments and institutes manage their own allocated budgets.
Assets are therefore purchased directly by the Departmental buyer through the creation of an official university order.
Whenever a Department intends to purchase assets, they must liaise with the Assets Accountant at the Finance Department to ensure that the correct accounts are used.

Special Conditions

- All computer equipment must be purchased in consultation and co-operation with the ICS Department in order to ensure that the equipment is in line with the standards as set by the university and the IT requirements.
- Vehicles must be purchased through the Transport Department. This procedure also applies to institutions, units and organizations whose funds are administered by the Finance Department.

All other purchasing requirements to be done in accordance with the purchasing policy of the university.

4.5 ADDITIONS TO EXISTING ASSETS

- Upgrades to existing assets which will cause the value of the asset to increase, must be added to the Asset Register.
- The Fixed Assets and Insurance Management Department must receive clear communications from the buyer of the upgrade onto which previously purchased asset the upgrade must be added, also stating the asset bar code number.

4.6 PART PAYMENT OF ASSETS

- Assets not paid in full will be added to the assets register, but on receipt of the assets and the balance of the payment, the Department concerned must inform the Fixed Assets and Insurance Management Department of such full payment and forward the details to the Fixed Assets and Insurance Department.
- Major parts added to equipment which will enhance its capabilities and increase the value of the equipment must also be communicated to the Fixed Assets and Insurance Management Department.

4.7 ASSETS HELD ON OPERATING LEASE

- Operating leased assets are not recorded on the central assets register, but will be kept on file at the Fixed Assets and Insurance Management Department.
- Departments and Institutes must inform the assets Department of any leased assets and forward the relevant documentation to the Fixed Assets and Insurance Management Department.

4.8 MAINTENANCE AND REPAIRS

Maintenance and repair responsibility rests on the purchasing faculty.

All plant and equipment should be maintained in good working order by care and servicing as recommended in the manufacturer's manual.

- The most efficient repair and maintenance strategy needs to be established and adopted.
- An operation and maintenance plan establishing responsibility and standards for level of use, condition, servicing and performance should be developed.
- Supplier maintenance contracts should be obtained where considered to provide the most economic servicing and repair.
- A record of such contracts should be maintained to avoid needless expenditure or non-contracted repairs.
- Similarly, warranties applying should also be recorded.

4.9 SAFEGUARDING OF ASSETS

The faculties are the custodians of the assets and as such, bear the responsibility to limit the risk of loss or theft by taking the following precautionary steps:

- Keeping offices locked when unattended and when travelling.
- Not leaving items unattended in public places, particularly in motor vehicles and on airports.
- In the case of laptops, by transporting them in other than normal laptop bags or cases and removing all confidential information not required for a trip.

4.10 ASSETS ON LOAN OUTSIDE OF UWC

Items lent to outside organizations or individuals outside UWC require adequate all risks insurance to be taken out by the borrower.

Assets of the university can only be taken on loan to outside organizations and individuals with the approval of the Head of the Department and the Fixed Assets and Insurance Manager of the university.

All expenses associated with the removal and return of the asset is at the cost of the borrower.

4.11 ASSETS HELD OFF CAMPUS

- The relevant Head of Department, Dean or Director must provide approval for University assets to be installed/located off campus if such location is justified
- Borrowers are personally responsible for items under their control and are also liable for any loss or damage not recoverable from the university's insurers
- Loans likely to exceed six months must be recorded on the University's assets register and therefore the Fixed Assets and Insurance Management Department must be informed of such loan of assets.
- All loan of assets need to be recorded within the Department, institute or unit concerned.
- A 'Register of Assets on Loan' must be maintained by the person responsible for assets at the location of the assets.
- It is suggested that at minimum the following details need to be recorded:
 - o date of loan;
 - o assets description;
 - o bar code number;
 - o serial number (where applicable);
 - o borrower's name;
 - o borrower's signature;
 - o **borrower's location;**
 - o approving officer's signature; and
 - o date of return.
- Assets on loan are subject to periodic stock take and their temporary return for this purpose may be required.
- Should a staff member holding an asset on loan leave the employ of the university the relevant Departmental asset controller must ensure that the asset is returned prior to but not later than the last day of service.

4.12 THEFT AND LOSS OF ASSETS

- The Campus Protection Services and the Fixed Assets and Insurance Management Department are to be notified immediately of cases of theft and malicious damage to assets.
- The responsible Department head is to prepare a written report, with the assistance of the investigation officers of the university, for submission to the Fixed Assets and Insurance Management Department for the write-off of the assets and insurance claim submission.
- The report must cover all relevant matters including a police case number.

4.13 TRANSFER OF ASSETS BETWEEN DEPARTMENTS

- All transfers of assets between Departments must be communicated to the Assets and Insurance Department.
The Transfers of Assets between Departments form must be completed by the relevant Departments and presented to the Assets and Insurance Department for processing.

Appendix B

Asset Depreciation Book Information

Asset Header Data

Detail - Summary Relationship

Construction in Progress

Asset Depreciation Book Information

Signon org ID: UWCE30

Asset ID: 067906

Template asset ID: 2009CE003

Acquisition date: 20091217

Cost basis: 8230.80

Salvage value: 0.00

Original quantity: 1

General description: MECHANICAL PACKAGE TOWER

Specific description: MECHANICAL PACKAGE TOWER

Asset status: A

Status reason: A

PO ID: IT11489

Purchase authority: S.YASIN

Vendor ID: Y15003

Asset serial number: L3A4PSN

Invoice ID: IN017376

Entity (Vendor opt) data: Entity (Vendor opt) data

Business org ID: UWCE30

Low-level org ID: UWCE30

Template function: M

Activable all books: 2

Override currency: []

Summary asset code: []

Asset type: A

Revaluation code: []

Acquisition code: []

Asset class: []

Asset sign: []

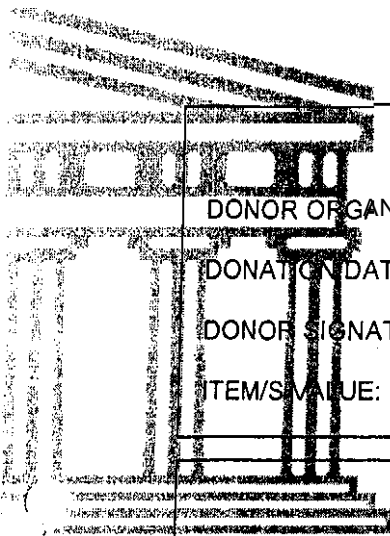
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Refresh

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APPENDIX C DONATION OF ASSETS TO THE UNIVERSITY FORM



DONOR INFORMATION

DONOR ORGANIZATION: _____

DONATION DATE: _____

DONOR SIGNATURE: _____

ITEM/S VALUE: _____

RECEIVING FACULTY/DEPARTMENT INFORMATION

FACULTY/DEPARTMENT: _____

ASSET OWNER: _____

ASSET LOCATION: _____

ENTITY: _____

JOURNAL PREPARED BY: _____

HOD/DEAN AUTHORISATION: _____

ASSET AND INSURANCE DEPARTMENT

ASSET ID (BARCODE): _____

CAPTURED BY: _____

CAPTURE DATE: _____

Authorization

Assets and Insurance Manager

Authorization

Fixed Asset Accountant



**UNIVERSITY of the
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APPENDIX D

**ASSET DISPOSAL
FORM**

Asset Description	
Asset ID (Barcode)	
Asset description	
Asset Owner	
Room Number	
Faculty/Department	
Entity	

REASON FOR DISPOSAL (please tick)

- Damage/Destruction
- Donation
- Write-off
- Replacement
- Redundancy

HOD/DEAN AUTHORIZATION

Assets and Insurance Manager

Fixed Asset Accountant

Capture date: _____

Asset Officer: _____



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APPENDIX E

**TRANSFER OF ASSETS
BETWEEN DEPARTMENTS
FORM**

Asset Description	
Asset ID (Barcode)	
Asset description	

Current Location	
Asset Owner	
Room number	
Faculty/Department	
Entity	

Proposed Location.	
Asset Owner	
Room number	
Faculty/Department	
Entity	

I hereby acknowledge transfer of the above asset:

HOD/Dean Current Location

HOD/Dean Proposed Location

Authorization _____ Assets and Insurance Manager _____ Fixed Asset Accountant

Capture date: _____ Asset Officer: _____



UNIVERSITY OF
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Appendix F

TEMPLATE ASSET CLASSES

Template Asset ID			Estimated Useful Life	Major Class	Sub Class	SSAFM Short Description
Classification Code	Sequence Number	Asset Number				
BL	01	BL001	05000	Building Structure	Buildings - Lecture	BUILDELECT
BN	01	BN001	05000	Building Structure	Buildings - Non Residential	BUILDN-RES
BO	01	BO001	02000	Building Structure	Buildings - Other	BUILDOTHER
BP	01	BP001	02000	Building Structure	Buildings - Prefab	BUILDPREFA
BR	01	BR001	05000	Building Structure	Buildings - Residential	BUILDRESID
BC	01	BC001	01500	Building Components	Components - Gas Reticulation	BUILDCOM
BC	02	BC002	01000	Building Components	Components - Laboratory Fittings	BUILDCOM
CA	01	CA001	01500	Building Components	Components -Air Conditioners	BUILD/CON
CA	02	CA002	01000	Building Components	Components -Access Control & Security	BUILDSEC
CE	01	CE001	00500	Computers	Computers - Equipment	MAINFRAMES
CE	02	CE002	00300	Computers	Computers - Equipment	NW INFRAST
CE	03	CE003	00300	Computers	Computers - Equipment	DESKTOPS
CE	04	CE004	00300	Computers	Computers - Equipment	LAPTOPS
CE	05	CE005	00300	Computers	Computers - Equipment	SCANNERS
CE	06	CE006	00300	Computers	Computers - Equipment	PRINTERS
CF	01	CF001	01000	Building Components	Components - Lecture Fittings	LECTRMFIT
CF	02	CF002	01000	Building Components	Components - Lab Fittings-	LABFIT
CL	01	CL001	01500	Building Components	Components- Lifts	BUILDLIFTS
CS	01	CS001	01000	Computers	Computers - Software	SOFTWDEVEL
CS	02	CS002	01000	Computers	Computers - Software	SOFTWPURCH
EM	01	EM001	00300	Equipment	Equipment & Machinery	SMALLOFFEQ
EM	02	EM002	00500	Equipment	Equipment & Machinery	PHOTOCOPY
EM	03	EM003	00500	Equipment	Equipment & Machinery	COMMUNICEQ
EM	04	EM004	00600	Equipment	Equipment & Machinery	AUDIOVISUA
EM	05	EM005	01000	Equipment	Equipment & Machinery	SPORTS EQ
EM	06	EM006	00600	Equipment	Equipment & Machinery	WINDOW A/C
EM	07	EM007	01000	Equipment	Equipment & Machinery	SECURITYEQ
EM	08	EM008	00500	Equipment	Equipment & Machinery	FIRESAFEQ
EM	09	EM009	00600	Equipment	Equipment & Machinery	KITCHEN EQ
EM	10	EM010	00500	Equipment	Equipment & Machinery	LAUNDRY EQ
EM	11	EM011	01000	Equipment	Equipment & Machinery	LAB EQUIPM
EM	12	EM012	01500	Equipment	Equipment & Machinery	GEN INFRAS
FD	01	FD001	05000	Fixed Structure	Fixed - Drainage systems	DRAINSYS
FF	01	FF001	01000	Furniture	Furniture & Fittings	GENOFFFURN
FF	02	FF002	05000	Furniture	Furniture & Fittings	PAINTINGS
FF	03	FF003	00800	Furniture	Furniture & Fittings	STORAGESYS
FF	04	FF004	00800	Furniture	Furniture & Fittings	CARPETS
FF	05	FF005	00500	Furniture	Furniture & Fittings	CURT/BLIND
FF	06	FF006	01000	Furniture	Furniture & Fittings	PARTITIONS
FF	07	FF007	01000	Furniture	Furniture & Fittings	FURN&FIT
FO	01	FO001	05000	Fixed Structure	Fixed:J - Other	OTHRSTRUCT
FP	01	FP001	05000	Fixed Structure	Fixed - Parking areas	PARKINAREA
FR	01	FR001	05000	Fixed Structure	Fixed- Roads and Walkways	WALKWAY/RD



UNIVERSITY OF THE
WESTERN CAPE

UNIVERSITY OF THE WESTERN CAPE

FIXED ASSETS POLICY

GRAY
DOOR

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1. INTRODUCTION AND PURPOSE

The University has a significant investment in fixed assets. The purpose of Fixed Asset Management is to establish and maintain accurate records of items which meet the definition of PPE. This document establishes University policy to ensure compliance with government regulations, accounting standards and accurate reporting on and recording of fixed assets.

2. DEFINITION

In order for an item to be capitalized and not expensed in the year incurred, it must meet the IFRS criteria for property plant and equipment.

Such items typically have the following characteristics:

- The item must be acquired for use in operations, and not/or investment or sale.
 - The item must have a useful life of more than one year.
 - The item must have an identity which does not change with use.
 - The item must usually be repaired and not replaced when damaged.

Component parts of one piece of equipment must be accumulated and capitalized in total.

The purchase threshold is R2000.00. All items purchased that meet the above criteria will be recorded as an asset if the purchase price is above this threshold.

The purchase threshold must be reviewed by the University Management on an annual basis.

3. ASSET REGISTER

The University shall maintain a Fixed Asset Register which contains the following information in respect of each asset:

- Cost Price
- Estimated Useful life
- Location
- Depreciation rate
- Current and accumulated depreciation
- Entity through which purchased
- Brief description
- Type of asset

4. PURCHASING OF FIXED ASSETS.

The University has a decentralized purchasing system, whereby departments and institutes manage their own allocated budgets. Assets are therefore purchased directly by the departmental buyer through the creation of an official University order.

4.1 SPECIAL CONDITIONS

- a. All computer equipment must be purchased in consultation and co-operation with the ICS department in order to ensure that the equipment is in line with the standards set by the University and the IT requirements.
- b. Vehicles must be purchased through the Transport department. This procedure also applies to institutions, units and organizations whose funds are administered by the Finance Department.

All other purchasing is to be performed in accordance with the Procurement Policy of the University:

5. BAR CODING OF ASSETS

All assets owned by the University shall have a barcode, where possible a metal barcode will be affixed to the asset. An accurate record of the barcode number assigned to each asset must be maintained as part of the Asset Register.

It is the responsibility of the Asset owners to provide assistance to the Asset and Insurance department in respect of the barcoding of assets.

6. UPDATING OF ASSETS REGISTER

New assets purchased by way of an official University order and/or payment through the accounts payable section must be identified as part of the operational process of the Assets and Insurance Department, and the Fixed Asset Register must be updated as part of this process.

Additions to existing assets - Upgrades to existing assets which will cause the value of the asset to increase, must be included in the Asset Register. The Fixed Assets and Insurance Department must obtain clear communications from the buyer, providing details of the upgrade and the asset bar code number.

7. MOVEMENT OF ASSETS

No movement of assets from one location to another shall take place without direct communication to the Assets and Insurance Department.

8. LEASED ASSETS

Assets acquired on operating leases are not recorded on the asset register, but will be kept on file at the Assets and Insurance Department.

9. ASSET MANAGEMENT RESPONSIBILITIES

9.1 ACQUISITION

In making the decision to acquire an asset, the following fundamental principles should be considered carefully by the buyer:

- a. Whether the purpose for which the fixed asset is required is in line with the objectives of the University and whether it will provide significant, direct and tangible benefit to the University.
- b. Whether the purchase is absolutely necessary as there is no alternative University asset that could be upgraded or adapted.
- c. Whether the fixed asset is appropriate to the task or requirement and cost effective over the life of the asset.
- d. Whether the fixed asset is compatible with existing equipment and will not result in unwarranted additional expenditure on other assets or resources.
- e. Whether space and other facilities to accommodate the asset are in place.
- f. Whether the most suitable type, brand, model etc: has been selected.
- g. Whether adequate resources are available for the maintenance & operational requirements of the asset.

9.2 UTILIZATION

All assets should be used for the purpose they were acquired. Asset performance should be regularly reviewed to identify underutilized and underperforming assets. The reason for this should be examined and appropriate action taken.

9.3 SAFEGUARD OF ASSETS

Department Heads are responsible for the security of assets under their control. This includes ensuring that assets are used only by authorized persons, safeguard against theft and damage and removal from the University premises.

All staff members are responsible for the care and protection of University assets. Every person who utilizes the property of the University should do so with due care and consideration and in a manner which ensures that the asset will not be subjected to undue wear and tear or damage.

9.4 ACQUISITIONS FROM TRUST, RESEARCH AND ADMINISTERED FUNDS

Assets purchased *via* Trust, Research and Administered funds are assets of the University, except where an agreement to the contrary is part of the conditions associated with the obtaining of such funds. Assets purchased in this manner must also be recorded in the Assets Register and are subject to the provisions of this policy.

9.5 PHYSICAL VERIFICATION

Physical verification of fixed assets appearing on the University's Asset Register shall be undertaken by the Fixed Asset and Insurance Management Department, in conjunction with the Asset Controller in the department, institute or unit on a cyclical basis during the year or at a selected date and time. Such verification may be done on a sample basis. Departments and faculties are responsible for providing assistance in this exercise to the best of their ability.

10. DEPRECIATION OF ASSETS

The University depreciates those assets deemed to be depreciable on a straight line basis i.e. over a time basis with the following asset categories and depreciation rates applying:

Buildings	(50 years)
Vehicles	(4 years)
Computer Equipment	(3 years)
Furniture and Equipment	(5 to 10 years)

Land is not depreciated

Depreciation charges commence at the beginning of the month in which the asset is first put to use or held ready for use. No depreciation is assigned in the month of the disposal of an asset which has not already been fully depreciated. Expected useful lives are reviewed, and if necessary adjusted annually.

11. ASSETS ON LOAN OUTSIDE OF UWC

Items lent to outside organizations or individuals outside UWC require insurance to be taken out by the borrower. Assets of the University can only be taken on loan by outside organizations and individuals with the approval of the Head of the Department and the Fixed Assets and Insurance Manager of the University. All expenses associated with the removal, insurance and return of the asset shall be at the cost of the borrower.

12. ASSETS HELD OFF CAMPUS

University assets may be installed/located off campus if such location is justified and is approved by the relevant Head of Department, Dean or Director, and authorized by his or her line manager.

The relevant HOD is personally responsible for such items and is also liable for any loss or damage not recoverable from the University's insurers.

Assets *off* campus are subject to periodic verification and the relevant HOD must provide evidence thereof as required.

Should a staff member holding an asset leave the employ of the University, the relevant departmental asset controller must ensure that the asset is returned prior to but not later than the last day of service.

13. DISPOSAL OF ASSETS

13.1 AUTHORITY TO TRADE-IN ASSETS

The delegated authority to trade-in assets on inventory is vested in the following positions:

- Members of the University Executive Management;
- Deans of Faculties;
Directors of Departments, Institutes and Units;
- Heads of Departments;
- Transport Manager; and
- Fixed Assets and Insurance Manager.

13.2 AUTHORITY TO SELL, DISPOSE OR DESTROY ASSETS

The delegated authority to sell, destroy or otherwise dispose of assets on inventory is vested in the following positions:

- Members of the University Executive Management;
- Deans of Faculties;
- Heads of Departments;
- Directors of Departments, Institutes and Units; and
- Fixed Assets and Insurance Manager.

No asset may be disposed of without approval of and communicating the details of the sale to the Head: Assets and Insurance.

13.3 MOTOR VEHICLES

All motor vehicle disposals must be approved by with the Transport Manager of the University. This includes trade-ins.

13.4 COMPUTING EQUIPMENT

Information & Communication Services (ICS) shall coordinate the disposal of all University leased and owned IT assets.

13.5 ALL OTHER PLANT AND EQUIPMENT

All other plant and equipment will be subject to whichever of the following methods offers the best return to the University.

13.6 AUCTION

The University may auction off assets it no longer wants to own.

13.7 TENDER

The tender process may be used in the event of the disposal of high valued items and if companies or individuals have shown interest in the item.

13.8 PRIVATE SALE

The method is only acceptable in a limited number of circumstances e.g.

- a. there is only one apparent customer;
- b. there is an established market price;
- c. the selling cost by another method would likely exceed the anticipated proceeds; and
- d. A sale to an educational or charitable organization is contemplated.

13.9 DONATION

Donations to charities or community organizations should only be considered where no sales market exists or where the cost of alternative methods of disposal exceeds the expected proceeds.

All assets donated must be done via the Asset and Insurance Department. Faculties and departments may not undertake to donate assets themselves.

13.10 DESTRUCTION

Disposal by this method should only be used when all other methods_ have been exhausted.

13.11 TRANSFERS WITHIN UWC

Assets may be transferred between departments/faculties.

It is the responsibility of the Departmental asset controller to inform the Assets & Insurance division of such movements in order that a transfer between entities may be appropriately accounted for.

13.12 TRANSFER TO OTHER OUTSIDE ORGANIZATIONS

- a. As a method of disposal of assets, due regard must be given to transfer to other organizations not being part of the University, even if fair market value cannot be obtained for such transfer.
- b. Should an asset have been purchased from funding provided for a research project and this project subsequently is transferred to another organization, then the following conditions apply before the assets may be transferred:
 - a. the particular grant or contract must contain a condition that the assets are not the property of the University;
 - b. the assets must have been purchased from external research funds
 - c. agreement must be reached between the University and the other institution. The Executive Director: Finance is authorized to commit the University in such negotiations.

13.13 THEFT AND LOSS OF ASSETS

Campus Protection Services and the Assets and Insurance Department are to be notified immediately in cases of theft and/or damage to assets.

13.14 WRITE - OFFS

The authority to approve write-offs in respect of plant or equipment losses, thefts or destruction, provided that all reasonable recovery action has been taken, is vested in the Assets and Insurance Department with directives from the Finance Department

13.15 ADVICE OF DISPOSAL

When departments want to dispose of an asset, whether by sale, transfer, donation, trade-in or destruction, they must provide written notice thereof to the Assets and Insurance Department.

14.INSURANCE

The University shall insure all assets subject to significant risk.

14.1 LAPTOPS AND CELL PHONES

Laptop and Cell phones are not insured by the University.

15. RECONCILIATION TO GENERAL LEDGER

The Assets and Insurance Department is responsible for capturing assets on the asset register. The Fixed Asset Accountant shall ensure that it reconciles with the General Ledger accounts on a monthly basis. Any discrepancies arising are investigated and corrective action taken to bring the two records in balance.

16. STAFF MEMBERS LEAVING THE EMPLOY OF THE UNIVERSITY

It is the responsibility of Heads of the Departments, Directors of Institutes and Units to ensure that all assets allocated to an employee are accounted for on campus when staff members leaves the employ of the University. A list of assets allocated to employees must therefore be kept within Departments, Institutes and Units.

17. CONCLUSION OF RESTRICTED FUNDS PROJECT

Upon conclusion of a Restricted Funds Project, it is the responsibility of the entity owner to perform a stock take of all assets purchased as part of the project and to provide confirmation to the Assets and Insurance Department that such assets are located on the University premises.

18. DONATIONS TO UWC

All assets donated to the University must be declared to the Assets and Insurance Division. All assets donated must be included in the assets register.