



Capital Equipment and Disposal Policy

Policy Information

Date Established: March 29, 2022

Date Last Updated: March 6, 2023

Category: Finance

Internal Control Program Approved: April 19, 2022

Ownership of Assets

All property purchased with University at Buffalo Student Association Inc (Student Association or SA). funds is the property of SA. All equipment and supplies purchased by SA for any SA club is the property of University at Buffalo Student Association Inc. on discretionary loan for use of the club. The SA Treasurer may direct any equipment or supplies to be reclaimed by SA if the club dissolves or fails to utilize equipment or supplies in a proper and justifiable manner.

Capital Equipment

Any physical goods that the Student Association or a recognized SA club wishes to buy that is over \$1,000 will be considered capital equipment. For each piece of capital equipment SA in conjunction with their fiscal agent will determine the depreciable life and method of depreciation of each individual item and properly record items into the fixed asset schedule. The Student Association will use the straight-line method of depreciation and will consider the useful life of the purchased item. SA's fiscal agent will maintain the fixed asset schedule that summarized the opening and ending balances for each property and equipment account and the related accumulation depreciation account and any transaction in each account for each fiscal year.

All assets are expected to be used for the originally stated purpose made during the encumbrance process. All clubs or departments must be able to present all assets to SA upon request and explain how they are used. Any use of the vehicles owned by SA will be governed by the approved SA Vehicle Policy. In addition, all fixed assets must have storage location on campus that is approved by the Student Association.

Fixed Asset Inventory

In conjunction with SA's fiscal agent the Fixed Asset Inventory Questionnaire will be completed by the Student Association annually. The purpose of this questionnaire is to ensure that fixed assets are still in existence at their proper location, to determine the condition of fixed assets and to determine if any changes have occurred so that the accounting records can be updated. During the questionnaire period clubs will be asked to account and present the fixed assets that are assigned for their individual club's use.

The following instances should be reported to SA's fiscal agent annually with the fixed asset inventory questionnaire if not at the time of change:

1. Physical changes made to the asset including enhancements, additions, or replacement of parts or components
2. Movement to a new location
3. Disposal, sale, or retirement of an item

Disposal of Capital Equipment

Any club or department that wants to dispose of or change the purpose of an asset must get approval by the SA Treasurer to do so. Unauthorized sale, transfer, donation, or disposal of inventory items is strictly prohibited.

In some instances, fixed assets will no longer be useful, or normal wear and tear, obsolescence, and breakage will occur. When this arises the club or department will, when possible, bring the item to the SA office to be reviewed and start the process for repair or disposal. If the asset cannot be brought to the office a club should schedule an appointment with the Finance Department, so they can travel to the asset for the review. Assets can be sold for fair market value, traded for a replacement, donated, or disposed of with the approval of the SA Treasurer and either the President or Vice President.

SA will report the condition of the asset as soon as possible to the fiscal agent to adjust the accounting records accordingly. If the asset is being traded for or replaced with a new asset, the retirement of the old asset must be recorded on the Capital Equipment Requisition that is used for the replacement asset. Also, upon disposal of an item, SA will report the disposal to the fiscal agent to update the fixed asset schedule and if necessary, re-compute depreciation through the date of the disposal.

If the asset is stolen, damaged, or lost the responsible club officer or staff member must report the incident to the SA Finance Department. If one of these instances happens to a fixed asset entrusted to a staff member or club the SA Officers may take actions to ensure proper future control over any additional fixed assets that may be in their possession.

The SA Treasurer must determine that the disposal was properly authorized, complied with any restrictions on disposal (for example, holding period, prior approval by donor or funding source, or restrictions on use of proceeds), and was not an asset pledged on existing debt.