

Policy on Asset Disposition

BUSINESS AND FINANCIAL AFFAIRS

Effective Date: October
1, 2009

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26, 2015

Supersedes:

Related Policies:
Research Equipment,
Capital Equipment

Responsible
Office/Department:
Controllers Officer

Keywords: disposal,
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computer, furniture,
asset, disposition,
capital, inventory, title,
selling goods

I. Purpose and Scope

The purpose of this policy is to define guidelines to ensure proper disposal of university property. For equipment acquired under a federal award granted prior to December 26, 2014, the university manages and disposes of these assets in accordance with federal regulation OMB Circular A-110 and industry accounting standards. For equipment acquired under a federal award granted on or after December 26, 2014, the university manages and disposes of these assets in accordance with the Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards, 2 CFR Part 200, and industry accounting standards. The university controls its assets through a mandatory biennial inventory, logistical and financial accountability, and appropriate disposition of unnecessary property.

This policy applies to the disposition of University-owned personal property, whether capital or non-capital assets, but does not apply to disposition of real property.

II. Definitions

For purposes of this policy,

University asset means university-owned personal property.

Personal property refers to tangible personal property, such as furniture, fixtures, equipment and machinery, vehicles, individual works of art or artifacts, and intangible personal property such as software.

Capital Assets (also capital equipment) are tangible non-expendable personal property purchased and owned by the University, including tax exempt property charged to the University's accounting system. To be classified as a capital asset the asset must have a useful life of more than one year and a unit cost of more than \$5,000.

Federal Capital Assets – (capitalizable assets with a unit cost of \$5,000 or more purchased with federal grant funding) **See section IV.** below for additional information on transfer, disposal or sale of federal moveable capital equipment.

Prior to December 26, 2014 - Circular A-110 is a federal regulation issued as Circular A-110 (and its amendments) and regulates Uniform Administrative Requirements for grants and agreements with institutions of higher education, hospitals, and other nonprofit organizations. See sections 33 and 34.

[Circular A-110 - Uniform Administrative Requirements](#)

As of December 26, 2014 - 2 CFR 200 Uniform Guidance – Section 200.310 – 200.316 is the Code of Federal Regulation “Uniform Guidance” which defines Uniform Administrative Requirements for federal awards with institutions of higher education, hospitals, and other nonprofit organizations.

[Electronic Code Of Federal Regulation - Equipment](#)

Asset Disposition and Relocation Form – the university's approved form that controls the disposition process, evidences appropriate University authority for the disposition of an asset and serves as the official record of asset disposition.

Bill of Sale – is a university document that is prepared by the Seller (university) to the purchaser, for transfer of title of ownership of a specific item of property which is the legal property of the university to the purchaser in exchange for financial consideration or a value determined by the university. The Bill of Sale must be prepared by the Procurement Services Department.

III. Policy

The Principal Investigator (PI), department, office or other organizational unit is responsible for disposition of the assets under its control, with consideration for applicable law and regulations; environmental, health and safety concerns; information security; and any contractual obligations for sponsored research funds. Any university PI, department, office, or other organizational unit must dispose of any and all university assets covered by this policy in accordance with university procedures through use of an Asset Disposition and Relocation Form found on the website below:

<https://myfiles.neu.edu/webapps/bannerfinance/forms-Accounting.html>

The Asset Disposition and Relocation form describes the procedures to be followed when disposing of a University asset. If the university asset is to be sold, a Bill of Sale also must be prepared by Procurement Services.

For asset disposal the university has certain processing requirements for specific asset attributes, as follows:

1. If the asset has a unit cost greater than \$5,000 and/or is for sale, the Asset Disposition and Relocation Form must be processed through Procurement Services.
2. If the asset will be sold, the Asset Disposition and Relocation Form must go to Procurement Services for approval by the Commodity Specialist. The form will then be sent to Accounting for processing in the property system.
3. If the asset has a unit cost of less than \$5,000 and is not computer related, the form must be processed through the university's Transportation Department.
4. If the asset has a unit cost of less than \$5,000 and is computer related, the form is processed through the university's Recycling Department and the assets will be picked up for recycling/disposal.
5. If the asset has a unit cost greater than \$5,000 and was purchased with Federal Grant funding, please refer to **section IV. Additional Information.**

Disposition of all computer equipment must comply with the additional procedures described on the Asset Disposition and Relocation Form. Please refer to the guidance on computer and network resources in conjunction with the Asset Disposition and Relocation form on the website below:

[Policy on Appropriate Use of Computer and Network Resources](#)

Interdepartmental Transfers:

Each administrative officer of a budgetary unit is responsible for capital moveable equipment purchased and assigned to his or her unit. Departments requesting transfer of assets to another university unit must go through the appropriate administrative officers of each unit and submit the signed Asset Disposition and Relocation Form with the updated equipment campus location.

Departments are required to promptly report to the Accounting Department and Public Safety any damaged, stolen or missing items as soon as the problem is discovered. For stolen computers, tablets and smart phones an Information Security Officer signature is required when submitting the stolen item report on the Asset Disposition and Relocation Form to Accounting. A Security Officer can be contacted by email at OIS@northeastern.edu where a ticket will be filled through the help desk and the signature for the form will be completed through the proper channels.

Failure to comply with this policy may result in disciplinary action up to and including termination.

IV. Additional Information

The PI on each federal grant is responsible for the care and maintenance of university equipment acquired with federal funds. The Accounting Department maintains an asset database of all capital items on federal grant equipment and is required to perform a biennial inventory. The PI is responsible for notifying the Office of Research Administration and Finance (ORAF) on any movement, disposal or sale of equipment and ensuring the Asset Disposition and Relocation Form is completed and signed. If a grant requires additional reporting or management procedures, the PI accepts responsibility for monitoring adherence to these additional requirements under the terms and conditions of the award.

Before using federally-funded equipment for other activities, disposing of the equipment, or transferring equipment to another institution, please contact the Director of Research Accounting and Finance, who will inform the Commodity Specialist in the Procurement Services Department. Once the Asset Disposition and Relocation Form is completed and approvals are verified, the Asset Disposition and Relocation Form is sent to Accounting where the information will be processed in the asset database.

When transferring equipment to another institution or disposing of assets acquired through federal funds, Principal Investigators are responsible to comply with federal

regulation 2 CFR 200 Uniform Guidance sections 200.313 for equipment purchased on federal awards granted on or after December 26, 2014 and A-110 for equipment acquired on federal awards granted prior to December 26, 2014. Department heads are required to approve the removal of any equipment. Equipment value must be reviewed and approved by Procurement Services, which will work with the university department and other sources as needed.

For transfers, documentation of receipt and acceptance by the new institution is required prior to removal of the equipment items from the university asset database.

Federal agencies differ in specific guidelines and the university will follow the specific guidelines of the grant. Federally owned equipment may not be transferred, disposed of or removed from the university without prior written approval from the federal agency.

Expired Grants

On completion of a federal grant/sponsored project, capital equipment in some circumstances may become university property. Please refer to A-110, 2 CFR 200.313 and contact ORAF for information regarding the process for reclassifying federal equipment.

V. Contact Information

Accounting Department (617) 373-8179

Procurement Services, Commodity Specialist (617) 373-2135

Facilities Division, Recycling and Solid Waste Management (617) 373-5711

Facilities Division, Transportation Department (617) 373-2343

Information Technology Services (617) 373-4357

Environmental Health & Safety (617) 373-2769

