

4.700 Equipment and Property

I. Definitions

Capital assets: either movable or immovable assets that will be used more than one year. Capital assets are also referred to as fixed assets, or property, plant and equipment.

Controlled property: tangible personal property with a useful life of more than one year and a per-unit acquisition cost of at least \$1,000 but less than \$5,000, and meets the following criteria: 1) firearms or weapons not classified as equipment, 2) property, regardless of costs, which is accountable to RCUH under provisions of a federal award/contract, and 3) theft-sensitive personal property (computers, printers, monitors, scanners, fax machines, microscopes, balances, television sets, audiovisual recorders/players, cameras, etc.).

Equipment: tangible personal property having a useful life of more than one year and a per-unit acquisition cost of \$5,000 or more.

Equipment fabrication: equipment that has been constructed or assembled into one identifiable unit having a useful life of more than one year and a total acquisition cost of \$5,000 or more. The total acquisition cost assigned to the unit is the sum of its component parts, materials, consumable supplies, and applicable labor.

II. Acquisition of Equipment

Refer to [Policy 2.212](#) Equipment.

A preprinted property decal shall be affixed to all equipment and controlled property immediately upon receipt. The decal provides a control number to identify the item on inventory records. For more details on policies regarding decals and how to obtain decals, please refer to the specific policy referenced below:

Project Type	Decal provided by	Policy
Extramural	UH Capital Asset Accounting Office	UH AP 8.512 Identification of Property UH AP 8.521 Property and Equipment Acquisition
Intramural	UH Capital Asset Accounting Office	UH AP 8.512 Identification of Property UH AP 8.521 Property and Equipment Acquisition
Revolving Account	RCUH Project Administration	1.360 Revolving Account Property
Direct	RCUH Project Administration	1.440 Direct Projects Property
RCUH Corporate	RCUH Accounting	4.700 Equipment and Property

III. Capitalization and Depreciation

A. Capitalization threshold:

1. Equipment with a useful life of more than one year and a per-unit acquisition cost of \$5,000 or more will be capitalized.

2. Computer software developed or purchased for internal use with a useful life of more than one year and an acquisition cost of \$25,000 or more will be capitalized.
3. Controlled property with an acquisition cost of at least \$1,000 but less than \$5,000 will be expensed.

B. Depreciation:

Capitalized equipment and computer software will be depreciated using the straight-line method over the estimated useful life of the asset. Generally, the useful life used for equipment and computer software is six years.

IV. Maintenance and Safeguarding

Property custodians (or asset representatives) should ensure that all equipment and controlled property are properly maintained in good operating condition. Property custodians should also ensure that all equipment and controlled property are properly secured and safeguarded to prevent against loss, theft, damage, and unauthorized use.

V. Physical Inventory

A physical inventory of equipment and controlled property shall be performed on an annual basis. An inventory list of equipment and controlled property will be provided to the designated fiscal office or project. The Fiscal Administrator, Principal Investigator (PI) and/or appropriate delegated authority are responsible for physically verifying the existence of each item on the inventory list and confirming the accuracy of the information contained on the list (i.e. asset description, model number, serial number, unit acquisition cost, decal number, etc.). Any discrepancies, including notations of disposals or obsolescence, shall be noted on the inventory list. The inventory list should be certified (signed) and returned to the appropriate office identified in the table below. For more details on policies regarding physical inventory, please refer to the specific policy referenced below:

Project Type	Equipment list provided by/submitted to	Policy
Extramural	UH Capital Asset Accounting Office	UH AP 8.540 Physical Inventory
Intramural	UH Capital Asset Accounting Office	UH AP 8.540 Physical Inventory
Revolving Account	RCUH Project Administration	1.360 Revolving Account Property
Direct	RCUH Project Administration	1.440 Direct Projects Property
RCUH Corporate	RCUH Accounting	4.700 Equipment and Property

VI. Disposal or Transfer

For more details on policies regarding asset disposal or transfer, please refer to the specific policy referenced below:

Project Type	Disposal notification submitted to	Policy
Extramural	UH Capital Asset Accounting Office	UH AP 8.543 Property and Equipment Transfer and Retirement

Intramural	UH Capital Asset Accounting Office	UH AP 8.543 Property and Equipment Transfer and Retirement
Revolving Account	RCUH Project Administration	1.360 Revolving Account Property
Direct	RCUH Project Administration	1.440 Direct Projects Property
RCUH Corporate	RCUH Accounting	4.700 Equipment and Property

For RCUH Corporate projects, the PI should complete and sign the [Disposal Request](#) form, remove the decal from the asset and attach it to the form, and submit the form and decal to RCUH Accounting.

VII. Relevant Documents

[Policy 1.360](#) Revolving Account Property

[Policy 1.440](#) Direct Projects Property

[Policy 2.212](#) Equipment

UH [AP 8.512](#) Identification of Property

UH [AP 8.521](#) Property and Equipment Acquisition

UH [AP 8.540](#) Physical Inventory

UH [AP 8.543](#) Property and Equipment Transfer and Retirement

[Disposal Request](#)

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