



UNIVERSITY OF  
CAMBRIDGE  
Finance Division

# Fixed Assets

Financial Procedures Manual – Chapter 16

## Version History

Version Number	Issue Date	Comments
2.2	Nov 2015	Updates to departments/team names, links, references to Fin Regs 2012 and increase in value for tracking assets increased to £5,000. New process of tagging assets in AP. Removal of Deferred Capital Grants section. New trans code for EM work.
2.3	Dec 2016	Updates to Building depreciation rules, and formatting.

## Contents

<b>1. Introduction .....</b>	<b>2</b>
1.1 What are fixed assets? .....	2
1.2 Fixed asset categories .....	2
1.3 University policy .....	3
1.4 Importance of fixed assets .....	4
<b>2. Equipment.....</b>	<b>5</b>
2.1 Acquisition of equipment.....	5
2.2 Monitoring and maintenance of equipment .....	8
2.3 Disposal of equipment .....	8
<b>3. Land and Buildings .....</b>	<b>13</b>
3.1 Overview.....	13
3.2 Departmental funding of EM work .....	13
3.3 Building Funds.....	14
<b>4. Recommended Monthly Procedures .....</b>	<b>16</b>
4.1 Departmental responsibilities .....	16
4.2 The central process for fixed assets.....	16
<b>5. Updating the Fixed Assets Module.....</b>	<b>18</b>
5.1 Tag numbers.....	18
5.2 Responsible employee.....	18
5.3 Security.....	18
5.4 Physical verification of assets .....	19

# 1. Introduction

## 1.1 What are fixed assets?

University fixed assets are items of physical substance that are to be used in the supply/production of goods and services (e.g. education, research, trading).

Examples of Fixed Assets:

- |                       |                   |
|-----------------------|-------------------|
| ~Scientific equipment | ~Office equipment |
| ~Machinery            | ~Vehicles         |
| ~Land and buildings   |                   |



### **Are fixed assets fixed?**

*No, a 'fixed' asset does not mean the item is physically fixed to anything. The term fixed indicates that the asset is retained and recorded in our balance sheet for more than one year.*

### **Is a tangible asset different from a fixed asset?**

*No, they are the same*

### **Fixed asset categories**

Fixed assets within the University are split into three specific categories and presented differently in the financial statements.

- **Equipment**                      Purchased by departments in the normal course of business, including from research grants
- **Land & Buildings**              Expenditure on land and buildings is normally carried out and managed by the Estate Management (EM). EM use the Projects module of UFS to process the expenditure.
- **Heritage assets**                      The University holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance. The Central and Research Accounting Team included some of these on the Fixed Asset register.

## 1.3 University policy

### 1.3.1 Equipment and books

#### Equipment costing less than £30,000 per individual item

Is written off (termed 'expensed') in the year of purchase. This means that it is not formally recognised as an asset in the University's financial statements. However, assets costing between £5,000 and £30,000 should still be tracked as an asset and included in the University's Fixed Asset Register.

#### All equipment costing £30,000 or more

Is capitalised and depreciated so that it is written off over four years using the straight-line method of depreciation rather than being written off immediately.

#### Expenditure on books and similar items

Is expensed as incurred and is not considered a fixed asset. Exceptionally such expenditure is for the purchase of Heritage Assets.

### 1.3.2 Land and buildings

#### 'Assets in construction'

Buildings that are only partially completed are not depreciated until they are deemed substantially complete and/or ready for use.

#### Operational land and buildings

Were revalued at fair value on the 1 August 2014 as part of the transition over to FRS 102. New buildings have been included at their purchase price /cost.

No depreciation is provided on land as it is not considered to have a limited life (i.e. it does not wear out). Buildings are written off over their estimated useful lives which is between 15 and 60 years, with the exception of investment properties which are not depreciated.

### 1.3.3 Heritage assets

The University holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance. Most of these are housed in the University's nationally accredited museums, collections and in its libraries, providing a valuable research and educational resource locally, nationally and internationally, as well as unrivalled opportunity to present the University's work to a wider audience. Other collections are held in academic departments or are on display as public art. Major collections include those held by the University Library, the Botanic garden and the Fitzwilliam Museum.

Those heritage assets exceeding the capitalisation threshold acquired since 1 August 1999 have been included on the Fixed Asset Register. Heritage assets are classified separately to other fixed assets and they are not depreciated.

Any purchase, donation or disposal of Heritage Assets should be notified to the Fixed Assets Helpdesk. Careful consideration should be given before accepting gifts of works of arts or books as there are often hidden costs to a department associated such as:

- fine art insurance
- additional security
- maintenance (correct temperature and humidity, lighting and protection from sunlight, moths etc).

Where they are accepted they are often retained by the University and added to its collections. At present there is no policy concerning the acceptance of donations for such items. However, if you have any queries concerning the accounting procedures about works of art please contact the Fixed Asset helpdesk within the Finance Division.

---

## **1.4 Importance of fixed assets**

Fixed or tangible assets are the physical structures and items that support the University and are therefore, of significant value and are required to be accurately recorded and reported on within the University's financial statements.

### **1.4.1 Legal requirement**

The University has a legal requirement to record its fixed assets and write them off over their useful life. These rules are governed by accounting standards and are embraced by the HE Sector.

### **1.4.2 Deficit /surplus, balance sheet value**

Whether the assets of the University are correctly identified and capitalised can directly affect the financial position of the University.

For example, if purchased equipment is not capitalised then its full cost forms part of the University's expenditure in that year. If it had been identified and accounted for as a fixed asset then the cost would be moved to the balance sheet and depreciated over 4 years- matching the cost of the asset more accurately to its useful life in the University.

---

## 2. Equipment

### 2.1 Acquisition of equipment

#### 2.1.1 Department's responsibilities

##### **iProcurement**

When raising a requisition select an appropriate category code – non catalog items eg %equipment. The track as asset box can be ticked at requisition level which will pull through to the Accounts Payable module.

##### **Accounts Payable**

It is the Department's responsibility to ensure that an asset is identified by ticking the "Track as Asset" box in the Accounts Payable module when a fixed asset is purchased.

From 1 August 2014, Finance Division have provided departments with a supply of uniquely numbered tagging labels. Department's have the responsibility to record the tag number of the Fixed Asset within Accounts Payable screen or through the Fixed Asset module.

When processing the purchase invoice it is important to review the invoice lines. The purchase invoice is entered in the standard way until the lines tab is reached where:

- an appropriate Transaction code/Expenditure Type is selected
- the 'Track as Asset' box is ticked.
- the item's tag number is entered

Normally the value of an asset is the actual price paid i.e. the cost price less any normal discount plus any non-recoverable VAT.

If a distribution line for expenditure is moved it is important to ensure that after calculating tax the track as asset box is ticked as required.

The acquisition of equipment exceeding £1m must be notified to the Insurance Section within the Finance Division. Expenditure of £2m or above on capital items requires consent of the Planning and Resources Committee.

This ongoing process of correctly identifying assets at purchase is the key to the fixed asset system operating satisfactorily and is the main requirement for departments to follow. At the month-end the Finance Division carry out centralised procedures and accounting processes in the UFS fixed asset module.

#### 2.1.2 Costs to be included in the value of an asset

- Any non-recoverable VAT (*NB. only the net cost has the 'track as asset' box ticked. The system decides if VAT is required to be added.*)
- Carriage/freight charges
- Installation costs (inc widening doors, strengthening floors etc)
- Import duties and VAT

Training on equipment use is not to be included in the value of the asset unless it is included as part of the installation package. Additionally, insurance costs, service contracts or warranties are not to be included in the value of the asset either.

### 2.1.3 Acquisition scenarios

**a) Purchasing an item that is less than £30,000 but which is part of a larger capitalised item?**

This should be merged with the existing item and capitalised. Let the helpdesk know.

**b) Purchasing numerous assets that total in excess of £30,000 but individually they cost less than £30,000?**

Split the assets up into separate assets so they are not capitalised (or request that the Fixed Asset Helpdesk split them).

**c) Equipment purchased under research contracts**

Equipment purchased under research contracts are subject to the competition requirements detailed in Regulation 18 and Schedule 1, of the Financial Regulations 2012. As part of the award criteria the whole life time costs to the University of the equipment procurement must be considered.

**d) Assets shared between departments**

If an asset is shared between a number of departments, then each department's share will be recorded as a separate asset, with a note cross-referencing them all. In this situation contact the helpdesk.

**e) Equipment received on loan**

Where equipment is received on loan departments should have in place procedures to ensure that an appropriate agreement and insurance are put in place and that the equipment is returned in good condition.

**f) Assets funded from more than one source**

Each asset can only be assigned one asset category on the system; therefore an asset funded from more than one source of funds has to be split into a number of assets-each being allocated to the appropriate category. A note cross-references these asset numbers. Please speak to Fixed Asset Helpdesk in this situation.

**g) Donated equipment**

If an asset is given to the University then the financial records of the University should show this. The true nature of the transaction is that the University is receiving a donation from the supplier, as if it were a donation from any other third party to help pay for the goods or services. This donation needs to be reflected in the UFS.

If this situation occurs please inform the Fixed Asset Helpdesk, giving the following details:

- date received
- description of the goods
- best estimate of value



The Finance Division will then prepare the appropriate transactions to reflect the true nature of the purchase i.e. debit the cost of the fixed asset, adjust the fixed asset register and credit the appropriate deferred grant. This grant will then be written off over the same period as the asset cost.

**h) Equipment purchased with a discount in excess of a normal trade discount**

If a discount is given to the University over and above a normal trade discount then the financial records of the University should reflect the nature of the transaction and the true value of the asset. This may indicate for example, the supplier is offering a form of donation to the department.

If this situation occurs, enter the purchase invoice details as normal and tick the box, but also please inform the Fixed Asset Helpdesk, giving the invoice number and the value of the discount received over and above the normal discount given.

The Finance Division will then prepare the appropriate transactions to reflect the true nature of the purchase i.e. debit the cost of the fixed asset, adjust the fixed asset register and credit the appropriate deferred grant. This grant will then be written off over the same period as the asset cost.

**i) Equipment purchased following an allowance been given for 'trade in'**

See paragraph 2.3.6 for details of dealing with part exchanges.

**j) Deposit payments**

If a supplier requests a deposit before the delivery of equipment you will need your Head of Department's prior written consent for payments in advance of £10,000 or less.

For payments in advance exceeding £10,000 the Director of Finance's advice and prior written consent is needed.<sup>1</sup>

Once the required approvals have been gained the invoice should be entered into AP and the track as asset box ticked for the deposit line. Ensure that a clear description is included and contact the Fixed Asset Helpdesk who will ensure that when we receive the item it is set up as an asset and all its payments are included and merged to reflect its total cost.

**k) Assets owned jointly with an external third party**

The supplier will normally agree to invoice each party separately for their proportion. Therefore, in AP you just tick the track as asset box as normal and the University will register the item as an asset and capitalise it as normal. However, for insurance purposes if the equipment is on our premises we must ensure it at its full market rate, so please put the full value in the comments field and inform the Insurance section and Fixed Asset Helpdesk.

**l) Equipment constructed within the department**

Where an item of equipment is constructed for use by a department in either its teaching or research activities then it may need to be included on the fixed asset register depending on its value. Contact the Fixed Asset Helpdesk in this instance.

---

<sup>1</sup> Financial Regulations 20012, para 18.4

**m) Refurbishment costs**

If the refurbishment is undertaken by EM and hence Council approved then the costs will be included on the register as an addition to an existing asset. Please contact the Fixed Asset Helpdesk in the event if any asset related queries arising.

---

**2.2 Monitoring and maintenance of equipment****2.2.1 Security of equipment**

Heads of Departments should establish procedures to ensure that all items of equipment are adequately protected against loss and misuse.

**2.2.2 Maintenance or improvements to equipment**

When spending money on an existing asset it should be considered whether the asset is simply being maintained or improved.

- Expenditure on maintenance cannot and should not be capitalised.
- Expenditure of improvements should be capitalised.

Advice is available from the Fixed Assets Helpdesk.

**2.2.3 Loaning equipment out**

Where equipment is loaned out the department must have procedures in place to ensure that an appropriate agreement and insurance are put in place and that the equipment is returned in good condition.

**2.2.4 Temporary removal from University premises**

Where a single article exceeding £50,000 or articles totalling in excess of £100,000 are temporarily removed from University premises the Insurance Section should be notified.

**2.2.5 Equipment sharing**

Some research sponsors encourage the sharing of more expensive items of existing equipment between peer institutions, with an appropriate charge for their use being made. This may, or may not involve in the removal of the item from the department and the guidelines above should be followed.

Further information is available from  
<http://www.equipment.admin.cam.ac.uk/>

---

**2.3 Disposal of equipment**

Assets owned by the University, irrespective of funding source, remain the property the University until sold or destroyed -unless contracts with external sponsors specify otherwise.

**2.3.1 Responsibility**

Heads of Departments are responsible for the sensible disposal of surplus equipment. It should first be offered to other Departments, and only sold

externally once it has been determined that the University no longer requires it.

- a. Reuse: either in the department or elsewhere in the University
- b. Sell: to maximise income
- c. Dispose: minimising cost

**NB.** Consider including reference to old equipment removal/part exchange in the specification of new/replacement equipment.

### 2.3.2 Disposal form

All disposals should be recorded on the University's fixed asset disposal form which can be found on the following link

<http://staging.finance.internal.admin.cam.ac.uk/fixed-asset-disposal-form>

### 2.3.3 Legislative requirements

Staff must take into consideration all legislative requirements before undertaking any disposal. These include, but are not limited to:

- the WEEE (Waste Electrical & Electronic Equipment) Regulations
- <http://www.environment.admin.cam.ac.uk/what-are-we-doing/recycling-and-waste/electrical-and-electronic-waste-weee>
- Health and Safety considerations. Equipment which may be contaminated with hazardous substances must be cleaned appropriately before being disposed of and a signed decontamination statement provided contact the Health & Safety Office.
- Disposal of IT equipment

### 2.3.4 Transferring assets between departments

Unwanted equipment, furniture etc can be advertised on the University wide reuse platform: WARPit:

<http://www.environment.admin.cam.ac.uk/what-are-we-doing/recycling-and-waste/warpit-reuse-platform>

If you are unable to post to this site yourself, please email Procurement Services who can post the items for you.

When assets are transferred departmental users can update the Assignments screen with the employee name and new location, but you will need to let the helpdesk know so that they can update the asset key to reflect the correct department.

### 2.3.5 Sales

When selling the asset externally you should look to maximise any income and therefore the following areas could be considered.

- (i) Auction
- (ii) Advertise nationally on the Procureweb Surplus Equipment link on the JPPSG web site. This is particularly useful if the item is a piece of technical research equipment.
- (iii) Private companies
- (iv) Employee offers (but safety issues must be considered).

Accounting in UFS

An invoice **must** be created in the Accounts Receivable module using the transaction code LZGA (Fixed Asset Disposals) and the following potential accounting requirements should be considered.

- a) All sales of fixed assets are liable to VAT and the standard rate of VAT should be applied unless the sale meets the criteria for zero-rating e.g. the item is exported. See chapter 9 of the FPM – VAT & Other Taxes and speak to the Tax Section for further advice.
- b) Assets transferred to employees should normally be charged for at the market value. Transfers below market value must be reported as a taxable benefit on the P11d return at the end of the tax year. It is not permissible to give assets away to employees without charge.

Notify the Fixed Asset helpdesk of:

- the asset number
- sales invoice number
- agreed price
- any disposal costs

The helpdesk will remove the asset from the fixed asset register and process all the appropriate journals i.e. to transfer the cost, sale proceeds and accumulated depreciation to the disposal account. Any profit from the disposal would usually stay within the department.

**2.3.6 Part-exchanges**

Where an offer for a part-exchange is received from a supplier of replacement equipment compare the value with offers from other groups interested in purchasing the items.

From an accounting perspective we need to process the transaction carefully to ensure that the register, sales and purchases are all dealt with correctly.

Issue	Procedure
The full value of the new asset is reflected in the FA module	The invoice is entered in the AP module with the distributions for the full value (pre-trade in) having the Track as Asset box ticked if the value of the equipment is greater than £5,000.  Email the FA Helpdesk with full details of both the new and old asset and the trade in value given.
That the old asset disposal value is recorded in the FA module	

The value of the old asset is declared in our Financial records and VAT accounted for as appropriate	The trade in value is entered in the AP module, either as a Credit Note or as a negative distribution line in the invoice. This is coded to the Trade In Control Account with no VAT.
That the supplier only receives the net payment via the AP module.	<p>An invoice is raised in the AR module for the trade in value of the old asset being sold. This is coded as normal and VAT is applied.</p> <p>A credit note is raised in the AR module for the full trade in value. This is coded to the Trade in Control Account with outside scope VAT.</p> <p>The AR invoice and credit note are matched. If required, the AP invoice and credit note are matched.</p>

### 2.3.7 Gifts

If gifting an item to a charity, ensure that they collect the item to minimise any additional costs. Inform the Fixed Asset Helpdesk of the disposal and consider the following potential accounting requirements.

- a) VAT at the standard rate is normally due on all gifts.
- b) However, in certain circumstances we may be able to zero-rate the supply - you **must contact the Tax section** for advice in these circumstances.

### 2.3.8 Taken by researchers/academics

The Financial Regulations specify that assets bought by the University, irrespective of funding source remain the property of the University until sold or destroyed, unless contracts with external sponsors specify otherwise.

If you are unsure of the contract terms then contact Research Operations Office (ROO) for clarification. ROO notify the Fixed Asset Helpdesk of grants transferring to other organisations so that relevant assets can be identified and contract terms verified.

- a) Notify the Fixed Asset Helpdesk of any assets that it is proposed to transfer to another institution when transferring a research grant.
- b) If research is completed and the academic leaves but wishes to take equipment with them and it is not specified within the contract with the sponsor any subsequent removal must be treated by the Head of

Department as either a 'transfer' (see Paragraph. 2.3.5 b) or 'theft' and appropriate procedures should be followed. Such equipment may, however, be sold to the institution to which the academic is moving to – normal disposal procedures should then be followed.

### **2.3.9 Scrapped, obsolete and damaged items**

In these instances the Fixed Asset Helpdesk should be notified. They will remove the asset from the fixed asset register and process all the appropriate journals i.e. to transfer the cost and accumulated depreciation to the disposal account.

### **2.3.10 Damaged, destroyed or stolen items**

Please refer to the FPM chapter 18: Insurance, on how to progress any claims. Notify the Fixed Asset Helpdesk of any lost assets.

## 3. Land and Buildings

### 3.1 Overview

The usual means of incurring and managing the expenditure on land and buildings is through Estate Management (EM) because of the complexities of building projects.

Although, it may be convenient for Departments to carry out certain works themselves, it is also clear that there are a number of risks involved in managing building works, which have potentially serious consequences for the University (e.g. in the event of an accident or dispute). When the EM team directly controls the works they manage these risks through their own established procedures.

It is important that the University maintains accurate information about all work undertaken to its buildings. Therefore, EM should be notified so they can advise on how best to proceed for any:

- maintenance or minor works
- alterations and refurbishment projects
- other proposed work.

This is usually carried out by EM through the projects ledger on UFS and by Central and Research Accounting in the fixed assets and general ledger modules. It should be noted that using EM would also ensure the appropriate VAT treatment for buildings.

---

### 3.2 Departmental funding of EM work

Where Departments are providing funding for land and buildings an internal invoice will not be raised. The recovery of funds will be by journal entry. This is true of both minor works and major projects. The process is as follows:

1. Departments initiate requests for Minor Works via the Academic Division/ Resource Management Committee.
2. EM only undertake such schemes once the Resource Management Committee has given its approval. The initiating department must identify the UFS coding for its funding source.
3. EM will journal the funds from the department to EM to enable them to begin placing orders for the work. This will be done on transfer code:

EXXC - Transfer of Minor Works Funding (EM Use Only).

4. Queries over the funding transfers themselves, if they cannot be resolved with the Academic Division, should be addressed to EM (Accounts Section).

### 3.3 Building Funds

The 'P' sources of funds are used for funding received specifically or approved for buildings.

#### 3.3.1 Funding

Funding is handled through the GL and AR modules. Funding is collected to match the expenditure on a project. No project proceeds until a warrant (or internal budget) has been agreed, stating total costs and total funding.

Once a project has been identified and given preliminary approval then funding can be collated in the P source of funds. Currently if a department wishes to save for a building project then until Building Sub Committee gives approval the funds should remain in the original source of funds.

The P source of funds covers several areas:

- Specific donations for building projects either private donation, corporate or HEFCE.
- Funds held within the University for building projects.
- Allocations for building work.
- Transfers to building funds from other sources e.g. from departments.

Transfers from other sources:

These are carried out by means of a journal using the transaction code EXCC.

DEBIT	departmental account
CREDIT	the building fund

From a University perspective this is just a movement of funds from one department to another therefore; an internal invoice ***must not*** be raised.

An invoice would result in '***double counting***' e.g.

- The department codes as income the funds it received/collated
- EM incurs the original building costs
- EM then invoices the department for the funds
- The department codes the invoice to expenditure
- EM then code the funds received from the department as income

This would result in the University's accounts showing two sets of expenditures and two amounts of income for the same transaction.

#### 3.3.2 Expenditure

The related capital expenditure is entered via the Projects module by EM. It is shown in the General Ledger as follows:

Cost Centre:                      For each project a separate cost centre is set-up within the Estate Management cost centre range.



Source of funds: All costs are coded against one source of funds PBAA. This covers major projects, minor projects and building maintenance fund projects.

Transaction code: All the costs are collated into the transaction code PADA – construction in progress as required by the projects module templates.

Note that similarly to the research module, if analysis is required concerning costs then it must be done within the projects module itself, because in the GL all the costs for one project are coded to one cost centre, one source of funds and one transaction code.

Once a project is completed then the costs will be transferred from construction in progress to a land and buildings fixed asset transaction code.

## 4. Recommended Monthly Procedures

### 4.1 Departmental responsibilities

Ensure that the “Track as Asset” box in the AP module is ticked for all fixed assets purchases in excess of £5,000. This is essential. Notify the Fixed Asset Helpdesk of

Notify the Fixed Assets Helpdesk of any fixed asset disposals during the month.

Run monthly (after the 5<sup>th</sup> working day):

- the Departmental Fixed Asset Report and review for accuracy.
- the Asset Additions (UFS) report to check new additions during that time
- update assignments and locations of assets (see chapter 5)

**See Chapter 10 Month End Guidance**

#### **Departmental Fixed Asset Report**

Provides information pertaining to all of a department's non-retired assets e.g.

- the Cost, Depreciation and Net Book Value (as of the last Mass Additions process run);
- the Vendor;
- the Purchase Order;
- the Invoice Number.

The ‘Locations’ version of the report additionally gives the locations of each asset (with corresponding responsible officer) and the number of units at each location and can be a useful security check.

#### **Asset Additions (UFS) Report**

This clear and concise report identifies assets purchased in a department during any specified time period (not just a year). It displays:

- asset number and description
- date taken into service - normally the purchase date
- original cost.

### 4.2 The central process for fixed assets

#### 4.2.1 Monthly ‘Mass Additions’ process

The main central process revolves around creating ‘mass additions’ – this sweeps all invoice data re ticked ‘track as asset’ items into a holding area called mass additions within the fixed asset module.

The automatic procedures contained within this process are:

1. Assets are categorised (using sources of funds) to allow appropriate analysis.
2. An ‘asset key’ is assigned to an asset (required for departmental analysis).
3. A default location is assigned.

4. A default responsible employee is assigned.
5. A depreciation transaction code is assigned.
6. Mass additions are reviewed for correct treatment.
7. Post / Hold / Delete items.
8. Also at this stage split / merge etc.
9. Process mass additions – sweeps assets into the fixed asset register.
10. Depreciate additions on a monthly basis.

#### **4.2.2 Missed assets**

If a department omits to tick the track as asset box when entering the invoice into AP a subsequent manual entry can be carried out. For this, the helpdesk needs to be notified. It is the department's responsibility to review the register and check whether all appropriate items have been treated correctly. Similarly the Helpdesk should be notified of donated assets that have not been processed in the AP module.

#### **4.2.3 Adjustments**

Following notification from a department the Finance Division will also carry out the required accounting entries for fixed asset retirements, disposals, mergers or splitting multi-asset purchase.

## 5. Updating the Fixed Assets module

After the month end process departmental users will be able to access the new assets that have been uploaded in to the fixed asset module. They will also be able to:

- Update certain details, e.g. serial numbers.
- Change an asset's location.
- Change the responsible employee.
- View details of their assets.
- Produce reports.
- Review for completeness.

Of course at any time during the month departmental users will be able to carry out all of these actions for existing assets which have been set-up in previous months.

**For details of how to do this in UFS please see the online training manual for fixed assets:**

**<http://www.admin.cam.ac.uk/offices/finance/training/manuals/new/fa.pdf>**

---

### 5.1 Tag numbers

Departments have the responsibility to ensure all new asset purchases are uniquely tagged by a numbered security tag. This should contain a unique number to allow the asset to be tied up to the details on the asset register. It will allow for a quick and easy check.

Departments have the ability to add tag numbers to assets at the Accounts Payable processing stage or the Fixed Asset module has a field where the Tag number can be entered by a department for each asset once it is on the system.

---

### 5.2 Responsible employee

Each department should make one or more persons responsible for the fixed assets. Their duties would include:

- Regular checks to ensure that assets are being correctly maintained.
- Notification to Fixed Asset Helpdesk of any assets disposals.

---

### 5.3 Security

The fixed asset module does not have sub-ledger security. It is possible for people outside the department to see what assets your department holds. If you update the location field to identify the precise location of the asset then this is also viewable by persons outside the department.

The lack of security was felt appropriate to allow people in the University to find out if another department had a particular asset. Therefore, if an asset was under utilised there may be the possibility of it being shared or loaned to another area. This could save the University considerable amount of money in the long term. There is also evidence from the providers of research grant funding that indicates that they wish this practice to become widespread. It makes better use of their funds if we can share assets.

Whilst access to the fixed asset module is only given to a small minority of University employees (approx. 3 per department) departments may wish to consider if it is appropriate to keep full location details of specific assets on the system, for security reasons. If departments do not wish to give full details of the precise location of an asset for security reasons then may we advise either using a code known only to a few within a department for the location field or leaving the asset location as the departmental default location. Note the default could be somewhere innocuous e.g. reception or the accounts office.



***Need a new responsible employee or location added to the list of values?***

*Contact the Fixed Asset Helpdesk who will liaise with EM regarding new locations.*

## **5.4 Physical verification of assets**

- 5.4.1 At the end of each financial year the Head of Department is required to sign a year-end certificate for their department; this includes certifying that the Fixed Asset Register holds the correct number and type of assets held in the department.
- 5.4.2 Best practice recommends that departments perform a physical verification of the assets listed at least once a year and notify the Fixed Asset Helpdesk of any changes required. Such amendments may be submitted at any time.

However, to support best practice and the certification of assets in the department, Central and Research Accounting conducts a bi-annual review of departmental assets and records. In February and July each year full lists of assets registered to each department are distributed to the relevant departmental contacts. This list enables departments to verify the presence of assets and identify updates to ancillary information such as location and employee.

Once asset details have been verified departments should return the review sheets – within the stated timetable- with details of any amendments required to their Fixed Asset Register. This helps to ensure that UFS assets records and associated accounting is as accurate as possible.