

CAPITALIZATION AND INVENTORY CONTROL POLICY

I. PURPOSE

- (a) To ensure compliance with Generally Accepted Accounting Principles (GAAP) through a uniform policy regarding capitalization and valuation of plant and related assets.
- (b) To establish procedures for the management and control of property owned by or in the custody of the University of Massachusetts.
- (c) To satisfy the requirements of the Federal Government regarding control over Government Property for which the University is responsible and accountable.

II. SCOPE

This policy pertains to all property, real and personal, under the control of the University of Massachusetts, including all such property to which the Commonwealth of Massachusetts or the University of Massachusetts holds title, or for which the University has custodial responsibility.

III. TITLE

Title to or ownership of all Commonwealth or University property shall be deemed to be vested in the University of Massachusetts unless stipulated otherwise by the funding source. Title does not rest with a department or an employee, regardless of source of funds or donation associated with the acquisition.

IV. RESPONSIBILITY

The Board of Trustees is responsible for all property to which the University holds title. Custodial responsibility for other property rests with the Board of Trustees to the extent that the University has explicitly agreed to accept such responsibility. The Board of Trustees hereby assigns to the Chancellor of each campus general responsibility for the care and custody of property belonging to or in the care and custody of the University of Massachusetts. Responsibility for such property entrusted to the President's Office or University Central Administrative Services is assigned to the President, and all references to the Chancellors shall be deemed to include the President as regard such property. The President shall formulate guidelines to assist the campuses in implementing this policy.

It is the responsibility of the Chancellor to implement and administer the provisions of this policy in all areas under his or her jurisdiction. At a minimum, the Chancellor shall:

- (a) inform all members of the faculty and administrative officers of their obligations for the use, care, maintenance, and safekeeping of all property under the control of their respective departments or units;
- (b) issue written instructions consistent with the President's guidelines relating to acquisition, use, and disposition of inventorial equipment and government property for which the Board of Trustees is responsible;
- (c) designate the campus officer responsible for the control of inventorial equipment on the campus and other areas under the Chancellor's jurisdiction.

V. INVENTORY

Each campus is responsible for maintaining inventory records for all capital and sensitive non-capital equipment as defined in this policy, performing or coordinating periodic physical inventories, reconciling physical inventories to the related records and reconciling additions and deductions on the inventory system to the general accounting system.

VI. GOVERNMENT PROPERTY CONTROL

Records shall be maintained for all federally funded equipment at a federally approved amount and life expectancy. All such equipment shall be inventoried according to federal guidelines. Such equipment shall be maintained on the University's equipment inventory until such time as an appropriate officer within the University performs an inventory, and removes it from the University's equipment inventory file.