**PURPOSE**

This policy provides Creighton University guidelines for disposing and moving fixed assets.

**SCOPE**

* **Principal Investigator:**
	+ Responsible for requesting disposition instructions from Accounting Services for fixed assets purchased on federal sponsored projects prior to disposal and in accordance with Purchasing Policy and Procedures section 4.6.
* **Department Administrator:**
	+ Complete the [Asset Disposal/Move Form](http://www.creighton.edu/fileadmin/user/AdminFinance/Controller/docs/Forms/Asset_Disposal_Form.pdf), if disposing or moving an asset.
* **Accounting Services Personnel:**
	+ Responsible for removing the assets from the Fixed Asset System and Banner when an asset is sold or disposed, and for changing the location of assets in FAS once the Asset Disposal/Move Form is received. Responsible for obtaining disposition instructions from the federal agency, if the asset has a value over $5,000 and coordinating the payment of proceeds received back to the federal agency.
* **Internal Audit Personnel, Associate Vice Provost for Research and Scholarship, Provost/Vice Presidents/Vice Provosts, Deans, Department Charis, Directors or any other personnel who are involved with or have oversight of activities or spending of resources for sponsored projects:**
	+ Apply these policies in their duties over sponsored projects

**POLICY**

Since all fixed assets over a $5,000 threshold are tagged when they are acquired to help the University track their whereabouts, Accounting Services must be advised of their movement and/or eventual disposal. Until Accounting Services is properly notified of a fixed asset’s disposal or movement and the Fixed Asset System is updated, the department will continue to be held accountable for that asset in the location last reported. The timely and accurate reporting of asset disposals (along with any salvage proceeds) and moves will help ensure the accuracy of University’s accounting records, reduce departmental time in reconciling and reviewing exceptions generated from the physical inventory and ensure compliance with Federal and sponsor requirements.

***Disposal of Federally Funded Equipment***

When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, Creighton must request disposition instructions from the Federal awarding agency, as required by the terms and conditions of the Federal award.

If the federal agency authorizes Creighton University to sell an asset, Creighton must ensure the highest possible return.

Disposition of federally funded equipment will be made as follows, and/or in accordance with awarding agency disposition instructions:

* Federally sponsored assets with a current per-unit fair market value of $5,000 or less may be retained, sold, or disposed with no further obligation to the Federal awarding agency.
* If the federal agency fails to provide disposition instructions within 120 days, equipment with a current fair market value greater than $5,000 may be retained or sold. The Federal awarding agency is entitled to its percentage of participation from the sale. If the equipment is sold the Federal agency may permit Creighton to deduct and retain from the Federal share $500 or ten percent of the proceeds, whichever is less, for its selling and handling expense.
* If Creighton fails to take appropriate disposition actions, the Federal awarding agency may direct Creighton to take disposition actions.

***Disposal of Furniture or Equipment, Not Federally Funded***

All fixed asset disposals should be coordinated through the Purchasing Department, as specified in the [Purchasing Policy & Procedures Manual, section 4.6.](http://www.creighton.edu/fileadmin/user/AdminFinance/Purchasing/docs/4_6.pdf)

**DEFINITIONS**

N/A

**PROCEDURE**

As required by the terms and conditions of the Federal award, the PI must request disposition instructions from the Federal awarding agency. If an item is sold, traded in, transferred, donated, or discarded, an [Asset Disposal/Move Form](http://www.creighton.edu/fileadmin/user/AdminFinance/Controller/docs/Forms/Asset_Disposal_Form.pdf) should be completed by the department personnel and sent to Accounting Services so the records can be modified in the FAS and the general ledger.

**ADMINISTRATION**

Questions about this policy should be directed to Accounting Services

**AMENDMENTS OR TERMINATION OF POLICY**

The University reserves the right to modify, amend, or terminate this policy at any time.