

# Pittsburg State University Fixed Assets

Policy Updated 5/19/2025

## What is a fixed asset?

Fixed assets include tangible assets such as property, plant, equipment, and intangible assets such as easements, water rights, and software. A tangible asset is an item, or items to be assembled into a single asset. Tangible assets with a useful life greater than one year and total cost greater than or equal to \$5,000 per item will receive an asset tag sticker and be maintained in the inventory database. An asset cost can include shipping, assembly fees, tax, freight costs, installation, and more. All costs necessary to bring an asset to its location and operating condition should be capitalized. An intangible asset is a non-physical resource that holds value but is not something that can be touched or seen.

The fixed asset record shall be based on a physical inventory and shall be charged with all acquisitions of fixed assets and shall be reduced by all dispositions of fixed assets. All state agencies are directed to submit a physical inventory of all fixed assets belonging to the State as of June 30 each year by August 31.

Assets depreciation rate and capitalization threshold are listed below. Assets will remain in inventory and will be accounted for annually even if fully depreciated.

Description	Capitalization	
	Threshold	Useful Life
Equipment	\$ 5,000	8
Works of Art	\$ 5,000	N/A
Vehicles	\$ 5,000	5
Land	\$ 100,000	N/A
Land Improvements	\$ 100,000	25
Buildings and Improvements	\$ 100,000	40
Software	\$ 250,000	10

## When purchasing a fixed asset:

It is considered best practice to purchase fixed assets using a requisition/purchase order. Assets should generally not be purchased by procurement card. To speed up processing times, it is also considered best practice to obtain a W-9 from the selected vendor and begin the supplier setup process as soon as possible. Having the vendor set up an ACH payment option will provide the fastest payment processing time.

To ensure proper accounting and tracking of an asset, the account code on the purchase order should always end with the letter **A**. These account codes have been designated as fixed asset clearing accounts in GUS Cloud. Anything that should be capitalized with the asset such as shipping, installation fees, etc. should be coded to the same '**A**' account code as the asset. Once the asset has been capitalized, the clearing account code will be zeroed out and the capital

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expense account code will be charged. If unsure, please reach out to the Business Office prior to assigning funding to a purchase. Please see list below for accounting codes:

Asset Clearing Account	Description
54010A	Agricultural Equipment and Machinery
54020A	Household Equipment
54021A	Household Furniture
54030A	Office Equipment
54031A	Office Furniture
54040A	Professional and Scientific Equipment
54050A	Passenger Cars (includes cars and SUVs)
54060A	Trucks (includes pickup trucks, buses and cargo vans)
54061A	Other Self-Propelled Equipment
54070A	Road and Highway Machinery and Equipment
54080A	Shop and Plant Maintenance Equipment
54090A	Other Furniture and Fixtures
54091A	Other Equipment
54111A	Books and Library Material
54121A	Printing Equipment
54131A	Microcomputer Systems and Support Equipment
54161A	Information Processing Equipment
54181A	Computer Systems, Information Processing or Microcomputer Systems Software
54201A	Buildings
54202A	Building Improvements
54310A	Land
54401A	Depreciable Land Improvements
54402A	Non Depreciable Land Improvements
54610A	Telecommunications Termination Equipment
54620A	Telecommunications Switching Equipment
54630A	Telecommunications Transmission Equipment
54640A	Radio (Portable) Equipment
54650A	Radio (Fixed) Equipment
54660A	Data Communications Equipment

## When disposing of a fixed asset:

Prior to disposing of or selling an asset, a department should consult with the Business Office to determine the current book value of the asset. To record the disposition of the asset, complete out the Microsoft Form for asset disposals located on the Business Office website. Regardless of the method of disposal (auction, private sale, e-waste, trade-in, or recycled), back up documentation and receipts need to be provided with the disposition submission. Documentation should show date sold, amount sold/traded in for, and who it was sold or given to. The department is responsible for disposing of their assets. The Purchasing Department can assist when listing items for auction and the Physical Plant can assist in the physical removal of large assets. If the department does not have all the required information for this form, please email [fixedassetinventory@pittstate.edu](mailto:fixedassetinventory@pittstate.edu) for details. Ensure the disposal has been approved by all necessary parties. This includes the employee responsible for the asset, their supervisor, the department head, and the Office of Research and Sponsored Projects if the asset was purchased

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using grant or contract funding. Once the Business Office receives and processes the form, the asset will be removed from the GUS Cloud inventory records.

## **Internal Asset Transfers and Changes:**

If an asset needs to be transferred to another department, room location, or responsible employee on campus, fill out the Microsoft Form for asset transfers located on the Business Office website. Make sure the department, tag number, asset description, department leaving, department going to, information regarding new building and room number, and the new person responsible for the asset is filled out. This form should also be filled out in the event of personnel change or room change, even if it is within the same department.

## **Gift in Kind:**

Assets that are donated (with individual fair market value of \$5,000 or more per item) will be tracked the same and disposed of the same as assets purchased by the University. These assets will have "GIK" in the asset description and a red GIK written on the asset tag on the equipment.

## **Tagging Assets:**

After an asset is purchased, someone from the business office will reach out to set up a time to put inventory stickers on the equipment as well as record the location of the asset. Information such as manufacturer, serial number, invoice number, PO number, location, contact person, and department will be recorded for each asset.

## **Annual Inventory:**

The Business Office will conduct an annual in-person inventory every summer for fixed assets recorded in GUS Cloud. Department heads are encouraged to have one individual in their department to help walk through and ensure all assets are accounted for. A signature will be required for every department certifying the inventory has been completed.

## **Safeguarding of Assets:**

Every department is responsible for protecting assets from theft, misuse, or loss. This includes items under \$5,000 that are not included in the fixed asset inventory in GUS Cloud. In the event of theft, it must be reported immediately to Campus Police and Public Safety and the Business Office. Pittsburg State University assets shall only be used in the conduct of official state business. Property may not be rented or loaned to any person or group for personal use.

## **Construction in Progress:**

Active projects such as building improvements, land improvements, and new buildings will be categorized as Construction in Progress. These will not be depreciated until the project is completed, in which case it will be moved to building improvements, land improvements, or buildings to be depreciated. Transactions related to Construction in Progress will utilize an asset clearing account code ending in 'C'. All transactions related to the project should be coded to either Buildings CIP or Building Improvements CIP. The cost center for all CIP projects should begin with the number 9 and include 'Capital' in the name.

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## Capitalization Examples by Category

### Equipment:

An invoice of \$7,000 has two computers each for \$3,500 on it. –Not capitalized since each item is less than \$5,000

An invoice for \$7,300 has a golf cart for \$6,500 and a PSU decal for \$800. — Capitalize the golf cart for \$6,500. The decals are not capitalized since it does not affect the working condition of the golf cart.

An invoice for \$5,000 has one microscope for \$2,500, one lens for \$2,000, with shipping costs of \$500. –Capitalized for \$5,000. The lens is needed to make the microscope useable, the shipping costs are capitalized and included in the cost of the asset.

An invoice for \$7,250 has a printer for \$4,500, shipping for \$750, and ink for \$2,000. –The printer and the shipping will be capitalized for a total of \$5,250. The ink will not be capitalized since it will be used within a year and is considered to be a consumable item.

**Building Improvements:** The important distinction between a building repair and a building improvement, is what it does to a building's life. A repair keeps things operational, with the same building life expectancy. A building improvement adds value and often efficiency, extending the building's life.

Twenty cameras and software installed on a building for \$16,000. – Not capitalized since it is not stand-alone equipment and has been added to the building. Not a building improvement since it is under \$100K.

A water heater added to a building for \$10K. –Not capitalized since it is classified as a building improvement and is under the \$100K capitalization threshold

### Vehicle:

An invoice for \$14,500 has a 2024 Dodge Challenger. \$14,000 is for the vehicle, \$500 is for weatherproof floormats. –Capitalize \$14,000 since it is a vehicle over \$5,000. Do not capitalize the \$500 for weatherproof floormats since it is not considered a part of the asset and is less than \$5,000.

### Software:

Software has been purchased for one year for \$135,000. – Not capitalized since it is under the software threshold of \$250K and will only be in use for one year.

### Works of Art:

An invoice has \$9,000 for a Banksy piece of art. –Capitalized since the value is over \$5,000.

### Land:

An invoice has \$235,000 for a lot downtown. –Capitalized since the value is over \$100,000.

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## **Land Improvement:**

An invoice has \$90,000 for new fencing in a parking lot. –Not capitalized since the value is under the \$100,000 threshold.

PSU follows the State of Kansas capital asset rules and policy. For more information please go to <https://admin.ks.gov/offices/accounts-reports/state-agencies/finance/policy-manual> and select the Capital Asset Records Form.