

**Washington University**  
**Asset Retirement – Policies & Procedures**  
(Updated February, 2020)

**I. Purpose**

The purpose of this document is to communicate the general policies and procedures for the retirement of capital equipment owned and titled by Washington University.

**II. Responsibility**

- A. Washington University is responsible for all the equipment to which it holds title. Custodial responsibility for other equipment rests with Washington University to the extent that it has explicitly agreed to accept responsibility thereof.
- B. The Property and Equipment Accounting department is specifically responsible for the following:
  - 1. Maintenance of the perpetual asset inventory files.
  - 2. Proper coding of assets for depreciation purposes.
  - 3. Coordinate, supervise and oversight of physical inventories.
  - 4. Asset accounts reconciliation.
  - 5. Approval of capital equipment purchase orders, journals, receipt vouchers, and asset disposals.
  - 6. Providing information and aid in the ongoing operations of the University's systems related to equipment acquisitions and dispositions.
- C. The custodial or user department is responsible for the care, maintenance, control and records of all equipment in their possession. The custodial department must maintain current asset records in the asset system as related to the following:
  - 1. Location of Equipment – The location of each asset must be noted in the asset system. Current records are required so that any item of equipment can be located for inspection or inventory purposes within a reasonable time. The custodial department is responsible to make timely updates to the asset system with any changes related to custody and location of equipment.
  - 2. Asset Record Accuracy – The custodial department is responsible for the accurate input and maintenance of the following data elements in the asset system through receiving documents and asset system updates:
    - a. Description of the item
    - b. Manufacturer's name
    - c. Serial number
    - d. Model number.
    - e. Title determination
    - f. Condition
    - g. Location
    - h. Principal Investigator's name
  - 3. Physical Security – The head of the custodial department and the principal investigator (when a contract is involved) must make adequate provisions for the physical security of all equipment in their custody. Areas containing equipment must be kept locked after business hours or at other times when not in use. Special precautions must be taken in cases of high value and/or portable equipment.

4. Storage and Movement – When equipment is temporarily idle, but required for authorized future use, it must be stored in accordance with sound business practices with adequate protection from corrosion, contamination, and damage to sensitive parts. Departments must document what equipment is in storage so that equipment can be readily located upon request. Notation of the storage location must be made on the equipment records in the asset system. The condition of the asset should also be changed to Not in Use. The equipment must be adequately protected while being moved. This entails proper packing, covering, skidding, and safety precautions.
  5. Care and Maintenance – The custodial department is responsible for providing the care necessary to maintain the equipment in the condition received or better, normal wear accepted, in order that the most useful life is secured. The maintenance program should be preventive in nature, providing lubrication, cleaning, calibration, and inspection on a regular schedule.
  6. Title Determination – Title or ownership of all University capital equipment is vested with Washington University, unless otherwise specified (i.e. contractual agreements with federal government). The custodial department must provide the Property and Equipment Accounting department with information regarding the title of purchased and transferred equipment. This information is communicated in the remarks section of the University’s purchase order at the time of purchase of any capital equipment on sponsored funds. The remarks should clearly state who retains ownership of said property. If, at any time, the ownership of a government owned or provided piece of equipment is transferred to the University, the custodial department must provide, in writing, notice that title has been transferred.
- III. **Disposal** - Equipment disposal refers to both physically removing property from a department and by processing an asset disposition in the asset system. The asset disposition relieves the department of accountability for future inventory, reporting, and tracking.
- A. **Special Handling** - Before physically disposing equipment, the custodial department is responsible for determining if the equipment requires special handling.
    1. Government-Funded Equipment - Property acquired in whole or part with federal funds may require special disposition procedures in accordance with Uniform Guidance – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Specific policy and procedures related to government-funded and government-owned equipment is detailed on the Sponsored Projects website: <https://financialservices.wustl.edu/wfin-topic/sponsored-projects-accounting/non-personnel-cost/government-funded-property-policy/> – Government Funded Property Policy.
    2. Hazardous and Radioactive Equipment - Many everyday items and pieces of equipment used in offices and laboratories are regulated as special or hazardous waste and may not be disposed of in the “normal” trash. These items contain hazardous components which are restricted from disposal in non-hazardous landfills. Environmental Health and Safety (EH&S) will recycle or physically dispose of these items according to state and federal requirements. Specific policy and procedures related to hazardous equipment disposal is located on the EH&S web site: <https://ehs.wustl.edu/waste-disposal/> (Waste Disposal). EH&S staff can assist with determining whether or not your waste is regulated.

- B. Disposal Documentation – Once an asset has been properly disposed the custodial department is responsible for documenting the disposal correctly in the asset system by processing an asset disposition.
1. Sale - Equipment sold for cash must be reported on a receipt voucher in the same manner as all other cash receipts using a subclass object of 6372. Once the receipt voucher has been entered in AIS, the custodial department must process an asset disposition in the asset system. The disposition reason must be marked as SOLD and the sale proceeds, along with the name of the buyer, must be entered in the correct fields. The receipt voucher number should be entered in the remarks section of the asset record.
  2. Trade-in – Equipment traded-in for the purchase of a new item must be disposed from the asset system at the time the equipment leaves the custodial department’s control (i.e.: picked up by vendor, shipped to vendor). The asset disposition reason must be marked as TRADE-IN and the value received for the trade-in must be noted in the correct field. The purchase order for the new item must be noted in the remarks tab of the asset record.
  3. Stolen/Lost – Always report thefts to the University Police (935-5555) or Protective Services at the Medical School (362-4357) as soon as the item is discovered missing. A police report will be needed to file an insurance claim. Next, contact the Insurance department (935-5561) to report the loss and to receive instructions on replacing the item. The asset must then be disposed from the asset system by processing an asset disposition and correctly noted as STOLEN or LOST.
  4. Junked/Destroyed – Equipment that has been destroyed, damaged beyond repair, is no longer useful, or is being cannibalized for parts must be removed from the asset system by the custodial department by processing an asset disposition.
  5. Transfer from WU – A principal investigator (PI) transferring to another institution may wish to take equipment associated with a sponsored project to the new institution. To initiate this process, the custodial department and/or the PI should complete a sponsored equipment transfer form, available at the Sponsored Projects website: <https://financialservices.wustl.edu/forms/> – Forms, Equipment Transfer-Out Form and attach a list of the items to be transferred. The equipment list should contain the following data elements for each item: asset number, description of asset, serial number, vendor, original purchase price, current book value, acquisition date and funding sources. The form must be reviewed and signed by the principal investigator and department head.

The department head will forward the signed sponsored equipment transfer form, equipment list, and a cover letter to the appropriate Dean requesting his approval for transfer of the equipment. After obtaining the Dean’s approval, these forms, and any other grant transfer documents (e.g., NIH Relinquishing Statement, Final Invention Statement) should be forwarded to Grants and Contracts (School of Medicine) or the Research Office (Danforth) for institutional review and signature, as appropriate.

The custodial department is required to process an asset disposition in the asset system for these items using a reason code of Transferred and provide the name of the receiving institution.

If the request contains equipment partially funded by the University (via departmental and/or cost sharing funds), the PI should obtain the current fair market value for each item and calculate the amount that the University is entitled to be reimbursed by the receiving institution. The PI, the department head and the appropriate individual(s) at the receiving

institution should negotiate and document the payment terms and conditions for the equipment transfer. The reimbursement amount should be noted in the appropriate section of the sponsored equipment transfer form. Upon receipt of payment for these items, the department should deposit the funds using subclass object 6372 on a receipt voucher. The custodial department is responsible for processing an asset disposition in the asset system using the reason code of sold and providing the proceeds amount and buyer's name. The related RV# must be noted in the remarks tab of the asset record. If the department head elects not to pursue reimbursement of these items from the receiving institution, he/she should complete the appropriate section of the sponsored equipment transfer form.

The receiving institution and/or PI are responsible for the removal and safe delivery of the items to their new location, and any costs associated with this process. The responsible official at the receiving institution will be required to verify delivery of the items by completing, signing and returning a copy of the sponsored equipment transfer form to the Sponsored Projects Accounting department.

#### **IV. University Contacts**

- A. Asset System – For questions regarding the asset system contact Property Accounting at 935-5618.
- B. Government Sponsored Equipment – For questions regarding federally funded or provided equipment contact Sponsored Projects Accounting at 935-5757 or 935-5793.
- C. Insurance – For questions regarding insurance of equipment contact the Insurance department at 935-5561 or 935-5547.