

Policy Main Title	Fixed Assets Additions Procedure	Effective and Applied Date	01-09-2020
Policy Subject	Purchasing and Inventory Control Policy	Last Review date	05-08-2020
Policy Number / version number	FAU-FAAP-01 / V-00	Next Review date	01-09-2021
Policy Owner / Responsible (Persons /Department/Area)	Head of Fixed Asset Unit	Approved By	
Status	<input type="radio"/> Completed ✓ <input type="radio"/> Uncompleted <input type="radio"/> Need Revision	Number of Pages	Page 1 of 7

## 1. OVERVIEW

The Fixed Asset Unit is responsible to manage all fixed assets across the University of Sharjah (main campus and branches). Core responsibilities are:

- Received assets, at Fixed Asset store or end user location, are in good condition.
- Update in the Asset Management System.
- Assigned to the end user.
- Track efficiently by using RFID tags.

## 2. SCOPE

This policy and procedure apply to:

- All Employees (main campus and branches).
- All assets present in University of Sharjah (main campus and branches).

## 3. PURPOSE

- 3.1 This policy provides UOS guidelines to ensure that assets are tagged, capitalized, and depreciated in consistent, audit and compliance regulations.
- 3.2 All items purchased by the University of Sharjah have a significant cost and a lifetime of more than one year. Therefore, these items are recorded capitalized and depreciated as per estimated lifetime, in accordance with UOS guidelines.
- 3.3 This policy and procedure is applicable on all assets which are purchased and received in University of Sharjah through funds/grants and gifts, which are the property of UOS.

## 4. POLICY

- 4.1. This policy is to ensure that all acquired fixed assets are controlled, identified, and uploaded to Fixed Asset Management System to ensure the accountability as per University of Sharjah rules and regulations.
- 4.2. It is the Asset Custodian's responsibility to ensure that the assets are maintained and kept in good working condition. When an item is capitalized, it shall be added to the AMS and depreciated over the expected lifetime as per the table in this policy.

## 5. PROCEDURE

### 5.1 Abbreviations:

AMS	Asset Management System
FAU	Fixed Asset Unit
FAO	Fixed Asset Officer

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GL	General Ledger
FD	Finance Department
FMPD	Facilities Management and Planning Department
LPO	Local Purchase Order
ITC	Information Technology Center
TD	Transportation Department
CLD	Central Laboratories Directorate

Responsibility		Actions
	<b>5.2</b>	<b>Definition of Fixed Asset Criteria</b>
FAU		Responsible for capitalized assets available in University of Sharjah. Following are points to define fixed asset criteria in University of Sharjah.
All Employees		<ul style="list-style-type: none"> <li>As per University Financial By-laws, <b>Decision No. (12) of 2019, Article 10</b>, the Capital expenditures that include capital items, which require use for more than one fiscal year and exceed the amount of AED 5,000 should be capitalized as Fixed Asset.</li> <li>Capital Expenditures with unit cost AED 4,999 or below are recorded as Low Value Asset in AMS.</li> <li>Capital Assets donated / gifted to University of Sharjah must be tagged and recorded in AMS and considered as University of Sharjah Property. Gifted asset must be communicated to the FD in order to determine the value of the assets.</li> </ul>
	<b>5.3</b>	<b>Asset Identification / Tagging Requirement</b>
FAO		Responsible for tagging all assets and upload to Asset Management System. Following data are required to upload in the AMS: <ul style="list-style-type: none"> <li>Asset code</li> <li>Description of asset (Model/Brand)</li> <li>Location (Building/Room /Department/ College)</li> <li>Capitalization date is considered as after technical acceptance by concerned department /end-user</li> </ul>

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		<ul style="list-style-type: none"> <li>• Unit price</li> <li>• LPO number</li> <li>• Custodian details (Name, email, UOS ID)</li> </ul> <p><b>Note:</b> If an asset purchased through contract, it is asset custodian responsibility to raise request to FAU for asset tagging. FAO will update details on AMS accordingly.</p>																																											
	5.3	<b>Assets Impractical to Tag</b>																																											
FAO		<p>Some Assets are impractical to tag such as buildings, infrastructure, small cameras, lenses, software, library books, small computer equipment etc.</p> <p>These assets are recorded in AMS with complete details, but identification tag is not required.</p>																																											
	5.4	<b>Asset Categories Details</b>																																											
FAU		<p>Ensure all assets are maintained in AMS which are acquired by University of Sharjah (main campus and branches).</p> <p>Asset categories are mentioned in below table along with their expected lifetime as per FD.</p>																																											
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	xi.	Lab Equipment	LE-110401	4 Years
	xii.	Dental Equipment	DE	10 Years
	xiii.	Library Books & CDs	LE-110601	10 Years
	xiv.	Office Equipment	OF-110901	4 Years
	xv.	Motor Vehicles	MV-110801	5 Years
	xvi.	Building Investment Property	BI-111002	25 Years
	xvii.	Land Investment Property	LI-111001	-
	xviii.	Construction Work in Progress	WP-111100	-
	5.5	<b>Assets Management System</b>		
FAO		Ensure to maintain AMS database and record all assets on AMS as per asset's categories additions requirement. Following are the procedures to records all assets categories in AMS.		
FAO	5.5.1	<b>Direct Capitalization of Assets (Applicable to all categories)</b> These are identified while doing reconciliation of AMS with GL. FAO identifies such items and records them in AMS. If the Assets are taggable, then a tag is generated and affixed on the Assets.		
FAO	5.5.2	<b>Direct Addition of Assets by Finance Department</b> Some assets categories which are directly recorded in GL by Finance Department. At end of every month during reconciliation of AMS with GL, FAO identifies additions of new transactions in GL and maintain records in AMS accordingly. Below List of Direct Additions of Asset: <ul style="list-style-type: none"> <li>• Land Assets (all land owned by UOS)</li> <li>• Building Assets (includes all buildings)</li> <li>• Chillers</li> <li>• Building Investment Property</li> <li>• Land Investment Property</li> <li>• Construction Work in Progress</li> <li>• Library Books</li> <li>• Any other asset which is purchased directly from petty cash and research expenditure reimbursement.</li> </ul>		

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FAU	5.5.3	<p><b>Assets Addition by Fixed Asset Unit</b></p> <p>FAU is directly involved in adding following asset categories after receiving either in FAU store or at end user location:</p> <ul style="list-style-type: none"> <li>• Furniture and Fixture</li> <li>• Infrastructure Asset</li> <li>• Air conditioning Equipment</li> <li>• General Items</li> <li>• IT Equipment</li> <li>• Office Equipment</li> </ul>
FAO/ Concerned Department	A	<p><b>If asset is delivered to FAU Store</b></p> <ul style="list-style-type: none"> <li>• Receive and verify the delivered assets against LPO</li> <li>• Sign delivery note of supplier</li> <li>• Tag the assets and update details on AMS.</li> <li>• Deliver the asset to the end-user location</li> <li>• Co-ordinate with concerned requested department for the technical acceptance of the assets.</li> <li>• Technical acceptance should be prepared by concern requested department and to be issued no later than one week from the physical receipt of assets by end user.</li> <li>• After receiving technical acceptance report from concerned department, receiving of LPO items is recorded in banner system and all supporting documents are submitted to FD for payment.</li> </ul>
End User / FAO	B	<p><b>If asset is delivered to End User</b></p> <ul style="list-style-type: none"> <li>• End user signs supplier delivery note.</li> <li>• Supplier gives signed delivery notes to FAU.FAO to co-ordinate with concerned requested department for the technical acceptance of the assets.</li> <li>• Technical acceptance should be prepared by concern requested department and to be issued no later than one week from the physical receipt of assets by end user.</li> <li>• FAO to visit the location for verifying the delivered items and tagging.</li> </ul>

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		<ul style="list-style-type: none"> <li>After receiving technical acceptance report from concerned department, receiving of LPO items is recorded in banner system and all supporting documents are submitted to FD for payment.</li> </ul>
CLD-Maintenance Team / FAO	5.5.4	<p><b>Lab Equipment</b></p> <p>Lab equipment category includes all equipment present in University of Sharjah laboratories for research and teaching purposes and follow below procedure to add asset in AMS:</p> <ul style="list-style-type: none"> <li>Laboratory equipment are received directly in Central Lab Store.</li> <li>CLD-Maintenance Team arrange for their installation and commissioning with supplier.</li> <li>Central Lab store In-charge send Email to FAU with all necessary asset details after accepting by end user. Upon receiving email FAO records assets in AMS and tag assets accordingly.</li> </ul>
CLD-Maintenance Team / FAO	5.5.5	<p><b>Dental Equipment</b></p> <p>Dental equipment category includes all equipment used in University Dental hospital and College of Dentistry and follow below procedures to add asset in AMS:</p> <ul style="list-style-type: none"> <li>Dental Equipment are received directly by Dental College &amp; Hospital / Central Labs.</li> <li>CLD-Maintenance Team arrange for their installation and commissioning with supplier.</li> <li>Once, the equipment is installed and accepted by end-user, FAO receives email from Central Lab Store. Upon receiving email FAO records assets in AMS and tag assets accordingly.</li> </ul>
TD / FAO	5.5.6	<p><b>Motor Vehicles</b></p> <p>Bus, Car, Pickup, Golf Car etc. are considered under motor vehicles asset category and follow the below procedure to add asset in AMS:</p>

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		<ul style="list-style-type: none"> <li>• To manage all Motor Vehicles in UOS. After completing registration process, TD sends all documents to FAU.</li> <li>• FAO records the asset in AMS and tag the motor vehicle. FAO update data on banner system. All supporting documents are submitted to Finance Department for payment.</li> </ul>
FAU	5.6	<p><b>RECORDS</b></p> <p>In accordance with Article 43 of the Finance By-laws, ensures that electronic version and / or hard copy of following records are maintained for a period of 10 years.</p> <ul style="list-style-type: none"> <li>• Receiving Voucher</li> <li>• Supplier Invoice &amp; Delivery Note</li> <li>• Technical Acceptance report</li> <li>• Asset Identification Tag</li> </ul>