



Capital & Controllable Asset Manual

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Section 1 - Purpose

The purpose of the Capital & Controllable Asset Manual is to facilitate compliance with all Federal, State, internal policies and other applicable laws, regulations and requirements related to fixed assets owned or leased by the Connecticut State College and University System ("CSCU" or "Institutions") that may be capitalized or considered controllable property.

Section 2 - Regulations

The Capital and Controllable Asset Manual was developed utilizing guidance set forth by the following sources:

State Regulations

There are several State of Connecticut General Statutes that govern those assets described herein. Specifically, Section 4-36 notes that "Each state Institution shall establish and keep an inventory account in the form prescribed by the Comptroller, and shall, annually, on or before October first, transmit to the Comptroller a detailed inventory, as of June thirtieth, of all of the following property owned by the state and in the custody of such Institution: (1) Real property, and (2) personal property having a value of five thousand dollars or more."

Connecticut General Statutes further describe in Section 4-33a that: "All boards of trustees of state institutions, state department heads, boards, commissions, (or) other state Institutions responsible for state property and funds...shall promptly notify the Auditors of Public Accounts and the Comptroller of any unauthorized, illegal, irregular, or unsafe handling or expenditure of state...funds or breakdowns in the safekeeping of any other resources of the state...or contemplated action to do the same within their knowledge."

State Institutions

The State Comptroller has issued a [Property Control Manual](#), that delineates State requirements and provides guidelines for the maintenance of a property control record system and compliance with State reporting requirements.

The Office of Management and Budget (OMB) 2CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance) provides cost principles that apply to contracts with non-profits, educational institutions, state and local governments, and Indian tribal governments. (Supercedes Circulars A-21 and A-110).

Governmental Accounting Standards Board ("GASB")

GASB Statements 34, 35, 51, 87, and 96 work in unison with other Generally Accepted Accounting Principles to provide a standard framework for the accounting of capital assets. Implementation guides and amendments issued by GASB also function as authoritative literature.

The guidance noted above does not represent an exhaustive list of requirements, but function as the predominant guidance utilized to establish the policies set forth herein. In certain cases, professional judgment was utilized to interpret and apply the guidance to the higher education industry in which the CSCU operates.

Section 3 - Responsibilities

Responsibility for control of an asset and compliance with the requirements set forth in this manual rests with the head of the department or unit that has custody of the asset. In the case of a shared asset, this responsibility rests with the department or unit responsible for initiating the purchase of the asset. For example, the Information Technology Department retains responsibility for the control of personal computers and laptops. Responsibilities of particular departments and/or personnel with regard to asset controls are as follows:

The CSCU Finance Department is responsible for maintaining this manual which facilitates compliance with all Federal, State, internal policies and other applicable laws, regulations and requirements relative to inventory control, accounting and related impact on financial reporting.

The Institutions are responsible for compliance with the State's capital asset policies and procedures. Each Institution will ensure that all departments impacted by this manual's contents understand and implement the required policies, including the processing of transactions and maintenance of records utilizing the approved software systems and procedures. Institutions are further responsible for maintenance of asset management records and related property controls, and for ensuring that financial reporting generated from the General and Operating Ledger systems properly reflects all capital asset information.

Section 4 - Asset Classifications

The [State Property Control Manual](#) establishes major asset categories to be utilized by the State and individual state Institutions for financial reporting.

Real Property

Real property represents land and buildings and their improvements. Leased land and buildings may also qualify as real property along with the associated construction of such assets.

Personal Property

Personal property includes furniture, machinery, vehicles, equipment, inventory, art and library materials. Certain assets related to infrastructure may qualify as personal property of the CSCU.

Intangibles

Intangible assets lack physical substance, are non-financial in nature and hold an initial useful life beyond a single reporting period. Examples of intangible assets include software (licensed and internally generated), trademarks or patents, easements and websites.

Right-of-Use Assets

Right-of Use (ROU) assets represent the right to use an underlying asset for a specified duration based on a lease or subscription-based IT agreement.

Trustee Account Assets

Trustee Accounts at the Institutions are accounts managed on behalf of the students that attend the Institution (i.e. student government assets). Trustee Accounts may purchase assets at the Institutions for the benefit of the students. The Trustee Assets must be safeguarded and inventoried in the asset management system.

Controllable Assets

Controllable property is property with a unit value less than the capitalization threshold, an expected useful life beyond a single reporting period and deemed by the appropriate designee, as requiring identity or control because of their sensitive, portable, and theft-prone nature. These items are to be expensed, not capitalized, and should be designated as controllable assets in the asset management system at the discretion of the Institution. It is mandatory that each Institution maintains a written listing of controllable property that has been approved by the Institution head or designee. In cases of uncertainty as to whether an item is to be considered a controllable asset, the question shall be referred to the Property Control Manager.

Section 5 - Asset Cost & Capitalization Thresholds

Accounting for the cost of an asset that is utilized in operations and has an initial useful life beyond a single reporting period is done through capitalization or expenditure based upon certain criteria including whether or not the cost has reached the established capitalization threshold.

Capitalization Threshold

The capitalization thresholds for personal property and intangible assets is \$5,000. Real property is capitalized regardless of cost. Assets with a cost or fair value less than the capitalization threshold shall be expensed in the period incurred.

Amounts considered to represent the cost of real or personal property may vary and are further detailed within this manual. In general all costs required to put the asset into service such as freight, site preparation and professional fees (installation, configuration) should be capitalized. Warranty and training costs are not capitalizable.

Gifts and Donations

In certain cases, real or personal property can be acquired through gift or donation. Gifts and donated assets are recorded at their acquisition value as of the date of the donation if the acquisition value exceeds the capitalization threshold. Additional expenses directly related to the specific acquisition of the donated property should be capitalized.

Trade-Ins

When purchasing a new asset that includes trading in a similar asset, the cost of the new asset acquired includes both cash paid and the trade-in value of the old asset. If the trade-in value is not readily determinable, the net book value of the traded-in asset is used.

Section 6 - Recordkeeping

Asset Management System

Financial information relative to capital assets will be maintained in the finance system's operating and general ledger accounts. Inventory and property control records will be maintained in the asset management system.

The information contained in the CSCU asset management system can be utilized to assist finance for the following purposes: (i) establishing a basis for capital asset financial statement information, (ii) determining insurable values, (iii) control and accountability, and (iv) accounting for depreciation.

Asset Tagging

All capital and controllable assets should be assigned a unique identification number, and tagged with a fixed barcode whenever possible. In the event an asset cannot be physically barcoded, due to its purpose (e.g. scientific equipment that will be submerged, an outdoor item that will not keep a barcode affixed to it due to weather, etc.), it should still be assigned a unique identification number (barcode number) for inventory purposes. All corresponding records should notate that it is a “document barcode,” (only affixed to documentation), and any other identifying items, such as serial number and model number, should be recorded when possible to ensure proper identification.

Inventory Procedures

It is mandated by the State of Connecticut that each Institution take a physical inventory of its assets each fiscal year (7/1-6/30). (Conn. Gen. Stat. §4-36) The taking of a physical inventory is necessary for both accountability and control. It establishes a direct relationship between actual and recorded assets and ensures that assets are properly recorded.

Each Institution will have a designee assigned with completing the physical inventory for the fiscal year. While the responsibility of the physical inventory will reside with the Property Control Manager, responsibilities regarding asset locations remain with each department. Furthermore, each department at the Institution must assign a representative to coordinate with the Property Control Manager to update them on location changes in their department and assist them with department inventories. Transfers of assets while the physical inventory is ongoing should be limited.

At the conclusion of the physical inventory, the listing must be reconciled to the General Ledger by account type. Capital assets appearing on the Ledger but not located during the inventory must be identified and the list of missing inventory must be submitted to the department responsible for custody of the missing inventory. Any assets found to be stolen or missing during inventory should be reported. (See Disposals on p. 13)

Property Control Records

Changes in the asset management system, including but not limited to, additions, transfers, custodian changes, and cost changes, should be accompanied by a hard copy or digital record detailing these edits. Hard copy or digital records may include inventory scan reports, inventory transfer forms, data entry sheets, purchase orders or explicit email documentation. Records should be maintained in accordance with the state record retention policy.

In the case of disposals, records should be maintained detailing the list of barcodes pertaining to the disposed items, as well as a copy of the applicable CO-853 forms in the event of loss, or a copy of the “Request for Disposition Form” and any pertaining “Exhibit” Forms in the event of surplus, donation or hard drive disposals. (See disposals on page 13.)

Section 7 - Real Property

Building, Building Improvements & Building Equipment and Systems

Buildings include all real estate, excluding land, which are used for shelter, dwelling, and other similar Institutional purposes. The cost of a building is either its acquisition or construction cost. Related costs

incurred following the acquisition of a building are added to the building's cost if they provide future service potential. The cost of new construction should be carefully evaluated and should include all expenditures related directly to the construction. Building costs include the following:

- Purchase price
- Direct material, direct labor, and overhead costs incurred during construction
- Professional fees
- Excavation costs

Buildings are capitalized when acquired or substantially completed. The acquisition cost of donated buildings is determined by the appraisal performed at the time the gift is made, whether provided by the donor or obtained by CSCU.

Building improvements are capitalized at cost if the improvement increases the economic benefit of the asset. Examples of capitalized building improvements may include:

- Computer and network cabling
- Electrical fixtures and wiring
- Sprinkler systems
- Roofing
- Plumbing
- Elevators
- Heating, ventilation and air conditioning systems (HVAC)
- Alarm systems
- Telecommunication equipment
- Stationary switching equipment
- Wiring and station equipment
- Cabinets
- Counters
- Refrigeration machinery and piping
- Built-in shelving
- Sterilizers and washers
- Fume hoods

Building Equipment is general plant equipment that is part of or attached to the building and removing it would materially alter the building. Examples would be elevators and boilers.

All additions, renovations, or improvements which increase the economic benefits to be derived from an asset will be capitalized. The expenditures must clearly and significantly enhance the value. Routine repair and maintenance, including ordinary replacements, return the asset to its original condition. Institutions should treat any maintenance or repair that returns a capital asset to its original condition, regardless of the amount spent, as an expense (i.e. repair of a roof, flooring replacement or painting). These costs do not increase the asset's economic benefit.

Land & Site Improvements

Historical cost is the basis for valuing land. Historical cost is measured by the cash or cash equivalent price of obtaining the asset. Any related costs incurred following acquisition are added to the historical cost if those costs provide future service potential. (Costs that do not provide future service potential are expensed immediately.) Land is capitalized, but not depreciated. Items included as part of historical cost of the land are:

- Purchase price

- Professional fees
- Site preparation costs such as clearing, filling, grading, drainage and leveling
- Costs of demolition of unwanted structures
- Unpaid taxes assumed
- Surveying and recording costs

Land acquired by gift is generally capitalized based upon an appraisal of its fair market value, which is either provided by the donor and corroborated by the Institutions or obtained independently by the Institutions. The appraisal amount will become the historical cost of the asset. Additional expenses incurred in connection with the acquisition are considered part of the total cost of the land. Land paid for or donated in whole or part by the federal government is tracked accordingly.

Site Improvements include all those not specifically identifiable to an individual building and increase the value of the original property. Examples are:

- Institution-maintained surface gutters
- Parking lots
- Outdoor lights
- Landscaping
- Fences and similar assets

While not identifiable to any particular structure, these assets have a quantifiable value to the Institution. These improvements should be classified by each Institution as exhaustible and non-exhaustible depending upon the nature of the asset and the potential for the asset to deteriorate with use or passage of time.

Leased Real Property / Right of Use Assets – Real Estate

All leases of real property with a term (including options to extend) of over 12 months should be assessed for GASB 87 applicability, and tracked in the GASB 87/96 software system prescribed by the CSCU System Office. Leases that are deemed to be GASB 87 leases will be capitalized as Right-to-Use Assets. Non-GASB 87 leases will be recognized as an outflow of resources based on the payment provisions of the lease contract.

Improvements to leased buildings and other structures, walkways, and permanently installed equipment items located on property leased to the State shall be capitalized. Improvements on leased property require a separate property control record and includes all costs of purchasing and/or constructing the improvement and placing it in service.

Other assets owned by the Institution that are merely located on leased property, rather than permanently installed, should be recorded as capitalized personal property to the extent such assets meet capitalization requirements.

Construction in Progress

Construction in Progress includes all the same costs and components that are ultimately included in the asset once it is completed and placed in service. Normally it is only used with those assets which take an extended period of time to construct, modify or make ready for service.

The cumulative cost of projects still in process must be recorded as a capital asset as of June 30th. After each CIP project is placed in service, the asset will be transferred to the appropriate asset category and the inventory record also set up in and/or moved to the appropriate category, and depreciated over the course of its useful life.

Section 8 - Personal Property

Furnishings, Machinery and Equipment

Furnishings and equipment are personal property whether purchased or donated that may have a relatively fixed location but have the capability of being moved. Included in this category are all types of data processing equipment, moveable telecommunications equipment, office machinery, furniture, and other machinery.

The cost of equipment includes all expenditures incurred in acquiring the equipment and preparing it for use. In the case of a trade in please reference Section 6, Record Keeping. Examples of these costs may include:

- Purchase price
- Freight and handling charges
- Assembly and installation costs

An accessory or component may be included in the original acquisition cost of the equipment and should be evaluated for capitalization on a case by case basis at the discretion of the Institution.

Stores and Supplies Inventory

Items stored must meet the capitalization threshold collectively. An Institution must determine if it is beneficial to retain inventory and determine if the benefit of storing the inventory is worth the cost. Staff time involved, personnel costs, overhead costs and security of the storage area are among the costs that should be considered before establishing a stores inventory. Reference the State Property Control Manual if it is determined a stores inventory should be established. The campuses of CT State are not expected to individually carry stores inventory that meets the capitalization threshold collectively.

Art & Historical Treasures

Works of art include pieces such as statues, paintings and sculptures. Historical treasures include antiquated military and other equipment, historical documents and artifacts, building and outdoor art installations and museum collections including books. All works of art and historical treasures having a value that meets the State's capitalization threshold or more, and are not held in a collection, are capitalized at their historical cost or acquisition value.

The GASB criteria for non-capitalized collections includes those that meet the following conditions.

- Held for public exhibition, education or research in furtherance of public service rather than financial gain
- Protected, kept unencumbered, cared for and preserved
- Subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections. (Policy need not be written, but there must be reasonable evidence that such a policy exists.)
- Were not already capitalized as of June 30, 1999

A separate property control record must be established for each item, regardless of cost. Each property control record for art and historical treasures must contain the minimum information needed to aid in the tracking of the piece of art.

Exhibits whose useful lives are diminished by display or educational applications, should be depreciated over 10 years. Depreciable artwork includes any artwork which does not meet the definition of inexhaustible collections or works of art, and which has an estimated useful life of at least one year and meets the State's capitalization threshold or more.

Inexhaustible collections can be represented as artwork, historical artifacts, books, papers, manuscripts and other unique or rare items of cultural, historical and artistic significance. This includes works with extraordinarily long useful lives, which because of their cultural, aesthetic, or historical value, the institution applies efforts to protect and preserve the assets in a manner greater than that for similar assets without such cultural, aesthetic or historical value. Inexhaustible collections or individual works of art/historical treasures are not required to be depreciated.

Library Materials

Library materials include:

- Library Books: In practice, the purchase of books would generally be capitalized due to the expected longevity of the materials
- Library Materials – Periodicals: Library periodicals, including the purchase of electronic subscriptions would generally be expensed.
- Library Materials – Other Library Materials: Library materials including maps, records, videos, electronic media, compact discs, microfiche, microfilm and other reference materials would generally be expensed.

Library materials should be recorded at cost while donated or contributed materials should be recorded at acquisition value (the price that would be paid to acquire an asset with the equivalent service potential in an orderly market transaction). Library materials are presumed to be disposed, impaired and subject to shrinkage over the useful life assigned when capitalized. Due to the relative materiality of library books and the cost/benefit of inventory procedures, physical counts of library books will not be conducted. Any impairments resulting from unusual or infrequent events that may have a material impact on the valuation of library books (i.e. fire, flood, renovations, etc.) are expected to be identified by the librarian with timely notification presented to the campus's finance department. Library books are depreciated using a group depreciation method that applies a straight-line procedure and half year convention.

Vehicles

Vehicles are any motorized vehicle powered by an internal engine used to move people or things from one location to another (i.e. cars, trucks, boats, etc.) Vehicles should be recorded at historical cost or acquisition value, and depreciated over a determined useful life. Vehicle cost includes all initial purchase cost, including any associated delivery and other charges required to prepare the vehicle for use. (i.e. lettering, lights/sirens, etc.)

Infrastructure

Infrastructure assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and [street] lighting systems.

Personal Property Leases

All leases of personal property with a term (including options to extend) of over 12 months should be assessed for GASB 87 applicability and tracked in the GASB 87/96 software system prescribed by the CSCU System Office. Leases that are deemed to be GASB 87 leases will be capitalized as Right-to-Use Assets. Non-GASB 87 leases will be recognized as an outflow of resources based on the payment provisions of the lease contract. See Appendix A for additional resources on GASB 87 leases.

Section 9 - Intangibles

Software

Software defined as any electronic program, data file, subscription to an electronic service, or operating system necessary to conduct business on an electronic device.

Software purchases with a cost of \$5,000 or more and a life of more than 12 months shall be capitalized and amortized over the life of the license.

Software subscriptions where the total payments are \$5,000 or more, and where CSCU is committed to future payments under a signed agreement or contract shall be categorized as a Subscription Based IT Agreement (SBITA), and will be tracked as a SBITA contract under GASB 96.

All long-term software agreements/contracts with a term (including options to extend) of over 12 months should be assessed for GASB 96 applicability and tracked in the GASB 87/96 software system prescribed by the CSCU System Office.

Major software projects with a budget of \$1 million or more requiring substantial internal labor related to developing and testing will be capitalized based on the guidance provided by GASB 51, Accounting and Financial Reporting for Intangible Assets.

Each institution shall assign a Software Librarian to maintain a software asset library that includes the types of software listed above. Each software asset record shall contain (when applicable):

1. Title of Software
2. Software asset description
3. Manufacturer
4. Acquisition Type
5. Purchase Order or Donation Source
6. License term
7. Number of Licenses
8. License identification number
9. Cost and/or payment amounts
10. Software asset contact name
11. Disposal method
12. Disposal date

Other Applicable System-Wide Policies and Guidance:

Information Technology:

Section 6 of the [IT Acceptable Use Policy](#)

Purchasing:

[CSCU Procurement Manual](#)

Section 10: Controllable Assets

Controllable assets have a unit value under \$5,000, have an expected useful life of one or more years, are easily portable and/or not physically secured, contain new technology or sensitive data, are theft-prone, and/or are adaptable for personal use. This includes computers that may contain sensitive data such as:

Desktops

Laptops

Tablets

Netbooks / Chromebooks

CSCU Institutions may designate additional items to be controllable property at their discretion.

Things that should be considered when deciding which items should be controllable are:

Is the equipment theft-prone?

Is there a daily data wipe performed?

Is the item physically secured?

Each CSCU Institution must maintain a written listing of controllable property that has been approved by the Institution head or designee.

If Controllable Assets are lost or stolen the Property Control Manager must be notified immediately.

Departments may utilize a Controllable Assets List Excel template, or may utilize the Assetworks/eQuip module to track Controllable Property.

Section 11 - Asset Depreciation and Estimated Useful Life

Depreciation

Depreciation is the accounting process of allocating the cost of a capital asset over the period of time or useful life that an Institution is expected to benefit from the use of the asset. A portion of the original cost is recorded as an expense in each period during the asset's useful life, and the book value of the asset is reduced by the same amount and recorded as an entry to a contra-asset called accumulated depreciation. The straight-line method of depreciation should be used to allocate cost over the estimated useful life of the asset. Depreciation in the year of acquisition will be calculated on a pro-rata basis by the general ledger system.

Salvage value is an estimate of the remaining worth of an asset after it has been fully depreciated; this is set at zero for CSCU assets. The following assets are not depreciated:

- Inexhaustible capital assets including land, and land improvements that produce permanent benefits, such as filling and grading costs that ready the land for the erection of structures and landscaping
- Non-capitalized collections of works of art and historical treasures
- Construction in progress, because the asset being constructed is not yet complete or in service.

Estimated Useful Lives

General Ledger Description	Description Detail	Fixed Asset Types	Useful Life
Land	Land	A1	N/A
Site (Land) Improvements	Site (Land) Improvements	B1	20 **
Buildings	Buildings	C1	40
Building Improvements	Building Improvements	C2	20
Building Improvements	Telecom Improvements	C2	20
Building Equipment & Systems	Building Equipment & Systems	C3	10
Leasehold Property Improvements	Leasehold Property Improvements	C4	20
Office Equipment	Office Equipment	D1	5
Technology Equipment	AV/TV Multi Media Equipment	E1	5
Technology Equipment	Computer Equipment	E1	5
Technology Equipment	Telecom Data Equipment	E1	5
Technology Equipment	Telecom Video Equipment	E1	5
Technology Equipment	Telecom Voice Equipment	E1	5
Plant Equipment	Plant Equipment	F1	10
Other Equipment	Carpets and Window Treatments	G1	10
Other Equipment	Furniture & Furnishings	G1	10
Other Equipment	Hospital, Medical, Surgical	G1	10
Other Equipment	Educational Equipment	G1	10
Other Equipment	Research Equipment	G1	10
Other Equipment	Miscellaneous Equipment	G1	10
Other Equipment	Athletic Equipment	G1	10
Other Equipment	Environmental Health & Safety Equip	G1	10
Other Equipment	Food Service Equipment	G1	10
Other Equipment	Police Equipment	G1	10
Vehicles	Motor Vehicles	H1	5
Vehicles	Boats and Aircraft	H1	5
Software	Software	J1	5
Art & Historical Treasures	Art & Historical Treasures	K1	N/A
Art - Exhaustible	Art & Historical Treasures	K2	10 **
Library Books	Library Books	L1	10
Library Other Materials	Library Other Materials	L2	N/A
Library Periodicals	Library Periodicals	L3	N/A

*** - Site (Land) Improvements in addition to Art & Historical Treasures require each Institution to classify the related asset as exhaustible or inexhaustible. Exhaustible assets are depreciated over the corresponding useful life designated for the asset class (general ledger coding) whereas inexhaustible assets are not depreciated.*

Section 12 - Disposals, Transfers, Impairments and Equipment on Loan

Loss of (or Damage to) Property

It is the responsibility of the faculty or staff member, or student life representative to whom personal property has been assigned for use, to report any loss, theft, or damage to such property.

Theft of Institution property shall be reported to the Institution's Police Department or the State Police Department, the Institution's Property Management Department, and the Vice President for Finance and Administration or the appropriate designee.

Loss of or damage to CSCU property, whether real or personal, should be reported immediately to the Office of the State Comptroller and the Auditors of Public Accounts using the following forms:

CO-853(a)	Adjustments to State Owned Assets – Initial Notification Form
CO-853(IC)	Adjustments to State Owned Assets – Internal Controls Review Form
CO-853(MA)	Adjustments to State Owned Assets – Multiple Assets

A copy of all CO-853 Reports should be used as back-up for all corresponding disposals [and](#) kept on file with the Property Control Department.

Reporting Accidents

Every accident involving a State owned vehicle is required to be reported to the Office of the State Comptroller. Complete and forward the DAS Vehicle Incident/Accident Report form to the appropriate parties for each incident involving either a DAS or CSCU-owned vehicle. <https://portal.ct.gov/-/media/DAS/Fleet-Operations/Vehicle-Accident-Form.pdf>

Recovery of Lost or Stolen Property

If property is recovered, institutions must complete a [CO-853\(b\) - Adjustments to State Owned Assets – Recovery/Resolution Form](#) to document the recovery of the item. If the recovered item has not been replaced or deemed surplus, then the record must be reactivated in the asset management software.

Disposal of Surplus Equipment

Institutions should identify property that is unused, unserviceable, or is being replaced through the regular inventory and purchasing processes. The reason for disposal should be properly documented. Tagged assets should never be thrown out. Only designated property control or surplus staff may dispose of tagged assets.

Property which is unused or unneeded but still serviceable should be identified and disposed of in an appropriate manner which maximizes salvage value or other benefits to the Institution, minimizes the staff resources required to complete the disposal, and protects against potential internal abuses resulting from internal sale or disposal of equipment to employees. Property that is damaged and unserviceable should be disposed of as soon as the determination is made.

Property management and/or the appropriate designee, at their discretion, may utilize any one or more of the following disposal methods:

1. Trade-in of equipment on current purchase.
2. Transfer to any other CSCU Institution or state Institution.
3. Transfer or sale to a local public education Institution, municipality or charitable organization in the Institutions service region, or the Institutions foundation.
4. Sale to the general public utilizing a state-approved method
5. Donation to non-profit or tax-exempt Institution.
6. Discarding of obsolete or damaged equipment that is unserviceable, or scrap.

The Property Control Manager shall maintain an inventory record in the property management system identifying each item traded, transferred, sold, donated or discarded and the method by which such item was disposed.

Proper documentation is essential to ensuring accurate records for disposal. Initiation of disposals should be documented utilizing the "Request for Disposition" Form (Form CSCU-DISP). Once completed additional documentation may be needed pending the type of disposal.

Disposal of Software: The Information Technology Departments will be responsible for determining that software is no longer needed by the Institutions. Should a department determine that certain software is no longer needed, it will transmit that information to the Information Technology Department so that the software may be removed from the asset management records, if applicable. Department personnel will make the final determination on disposal of the software and will remove any licensed copies of the software from corresponding hardware. All disposal of software shall conform to the manufacturer's copyright requirements. The information technology department will be responsible for the removal of the software from the software inventory.

Disposal of Library Materials: The President, or their designee, of the Institution may sell, trade, or otherwise dispose of any unwanted, duplicate, outdated or irrelevant materials held by the university libraries.

Surplus for Donation

Assets being donated to a tax exempt Institution or non-profit group should complete an Exhibit A – Certification of Donation or Transfer of Surplus Property Form detailing the items being donated, and the Institution of receipt, in addition to completing an Exhibit B – Acknowledgement of Receipt & Liability Waiver for Donated Equipment and/or Supplies Form, which absolves the Institution of any liability due to the condition of the items being donated, or any incident related to the donation process.

Disposals of Computers, Hard Drives, and other digital devices

Any items designated surplus that may contain sensitive information must be handled by the Institution's Information Technology department and sanitized in accordance with current CSCU Information Technology Sanitization guidelines (Please refer to Media Sanitization Standard 001).

1. Sanitization

Sanitization is a process to render access to Target Data (the data subject to the sanitization technique) on the media infeasible for a given level of recovery effort. The level of effort applied when attempting to retrieve data may range widely. For example, a party may attempt simple keyboard attacks without the use of specialized tools, skills, or knowledge of the media characteristics. On the other end of the spectrum, a party may have extensive capabilities and be able to apply state-of-the-art laboratory techniques.

2. Documentation

A certificate of media disposition is required for any electronic storage device that potentially contains DCL1 through DCL3 data or licensed software by CSCU. A certificate of media disposition can be stored in hard copy or electronically. The certificate needs to contain at a minimum the following information:

- a. Media Type
- b. Serial Number (if applicable)
- c. Assigned property number (if applicable)
- d. Date of sanitization
- e. Method of sanitization
- f. Final disposition of media after data is sanitized
- g. Person performing data sanitization
- h. Signature
- i. Date

The Information Technology department will be responsible for overall sanitization prior to relinquishing surplus property to the Property Control Department and must provide the Property Control Department with the certificate of media disposition. In accordance with record keeping standards outlined in this manual, the Property Control Department will maintain all forms outlined in Media Sanitization Standard 001 with any other disposal records in the event of an audit. This information must also be provided to the fiscal officer at each constituent unit for property disposition. For further guidance, please refer to the CSCU Media Sanitization Standard 001.

Disposal by Trade-In

Purchasing shall inform the Property Control Department, or inventory designee, of all trade-ins, including the barcode number. Any and all documentation including the Purchase Order number, barcode(s) involved in the trade, parties trading, and trade-in value should be kept on file with the Property Control Department. Upon disposal in the inventory software record, notation of Trade-In PO should be made in the comments section of the asset management system.

Transfers

Location changes to property should be documented and reported to property management by the custodian of the property, or departmental designee responsible for inventory. This documentation should detail the barcode number, new location and custodian of property being moved. Location changes found during inventory may be verified by a mobile scanner, and reporting documentation can serve as record of the location change. All location changes should be documented in the Institution designated inventory software.

Equipment on Loan

State equipment is **not** intended to be used for personal reasons. Loan permission shall be granted only in order to conduct State business. No asset shall be loaned to a CSCU employee or student if the loan of such asset will: (i) adversely impact the Institution or the System Office, as applicable; (ii) interfere with the normal operation of the Institution; (iii) cause unreasonable wear and tear on the equipment; or (iv) cause expense to be incurred by the Institution. No asset shall be provided to a CSCU employee or student for use on an indefinite basis.

An equipment on loan approval form (Form CSCU-1079) must be completed and signed by the supervisor of the employee requesting (and possessing) the equipment for loan, or the student life representative of the student to whom equipment is loaned. The borrower must also include the duration of the loan on this form. At the end of the loan's duration, the property must be returned to the Institution and the Property Control Department, or designee, must be notified of the location it has been returned to in writing, or a new equipment on loan form must be completed and signed by the supervisor of the employee, or the student life representative of the student, as applicable, setting forth the extended period of the loan.

Laptops that are regularly brought to an employee's home for remote work require an Equipment on Loan Approval form.

All assets should be temporarily returned to the Institution during a physical inventory. The Property Control Manager at the Institution shall also require additional approvals at their discretion, if deemed appropriate. In addition to entering loan information into the asset management software, the Property Control Department will also be responsible for maintaining a log book, or digital log, to hold the forms and to assist the Property Control Manager, or designee, in following-up on expired equipment on loan forms.

Electronic Forms

When available, electronic versions of the forms listed at the end of this document may be utilized in lieu of paper forms.

Effective Date 02/01/2026. Approved by:

Annette Pavone

03/18/2026

Annette Pavone, Controller, CSCU

Date

Lloyd Blanchard

03/18/2026

Lloyd Blanchard, Interim VP for Administration and

Date

Interim Chief Financial Officer, CSCU



CSCU EXHIBIT A

**CONNECTICUT STATE COLLEGES & UNIVERSITIES
CERTIFICATION OF DONATION OR TRANSFER
OF SURPLUS PROPERTY**

In accordance with Conn. Gen. Stat. §4a-4 and Board of Trustees Resolution No. 96-28, I, the undersigned, hereby certify that the Connecticut State University System has donated or transferred the surplus property described on the List of Donated/Transferred Surplus Property attached hereto to the following Institution or organization:

Name: _____

Address: _____

Federal Tax Exempt No. (if applicable): _____

FEIN Number (if applicable): _____

Name/Title of Contact Person: _____

Date of Transfer: _____

Signed: _____
Property Control Manager

System Location: _____

Dated: _____

Page __ of __

Initial: _____



CSCU EXHIBIT B

CONNECTICUT STATE COLLEGES AND UNIVERSITIES

ACKNOWLEDGEMENT OF RECEIPT & LIABILITY WAIVER FOR DONATED EQUIPMENT AND/OR SUPPLIES

I, _____, _____ of
(NAME) (TITLE)
_____, hereby accept, on behalf of the Donee, the donation
(AFFILIATION)

of the equipment and/or supplies described on the List of Donated Equipment and Supplies attached hereto (hereinafter, collectively, the “Equipment”) by the Connecticut State Colleges and Universities.

By signing, you confirm receipt of items on the attachment, and acknowledge the following:

The Donee understands and hereby acknowledges that the Connecticut State Colleges & Universities make no representation or warranty of any kind as to the condition, operability or performance of the Equipment, or of its suitability for any particular purpose, and therefore the Connecticut State Colleges & Universities assume no responsibility for this, now or hereafter. The Donee hereby accepts the Equipment “as is” and assumes all responsibility for removal of the Equipment from the premises of the Connecticut State Colleges & Universities.

The Donee hereby waives any and all claims for damage to the Equipment or injury to its officers, agents and employees. The Donee hereby agrees to indemnify and save harmless the Connecticut State Colleges & Universities, the Board of Regents of the CSCU, the State of Connecticut and their officers, employees and agents, from any and all liability, claims, suits, actions, damages or costs of every nature and description, arising out of or resulting from the acceptance, transportation, use, or storage of the Equipment, including injury to third persons.

Print Name: _____

Signed: _____
Duly Authorized

Title: _____

Receiving Organization: _____

Date: _____

Institution: _____

Page ___ of ___

Initial: _____



For Property Management
 Dept. Use Only

Date of Loan: _____

Loan No: _____

_____ is authorized to remove from _____ in
Printed Name Room

_____ building / hall the following Connecticut State College & University equipment:
Location

Barcode	Serial Number	Item Description	Cost

The equipment will be used for _____ which is relative to work being done in
Specific Project / Reason for Home Usage

the _____ at _____. The equipment
Department Institution

will be located at _____ until _____

at which time it will be returned or the loan will be renewed.

THE ABOVE NAMED INDIVIDUAL WILL BE RESPONSIBLE FOR LOSS DUE TO THEFT OR DAMAGE, AND WILL PROVIDE DUE CARE AND SECURITY FOR THE ABOVE-DESCRIBED EQUIPMENT UNTIL THE EQUIPMENT IS RETURNED TO THE INSTITUTION. THIS EQUIPMENT IS TO BE USED FOR WORK-RELATED BUSINESS ONLY AND CAN BE RECALLED AT ANY TIME FOR AUDIT PURPOSES. IN THE EVENT OF A THEFT, A COPY OF A POLICE REPORT MUST ACCOMPANY THE BELOW NOTIFICATION TO INVENTORY CONTROL TO REMOVE AN ITEM FROM THE ASSET LISTING. THE BORROWER WILL BEAR RESPONSIBILITY FOR THE RETURN OF EQUIPMENT IN THE SAME CONDITION AS IT WAS IN AT THE TIME OF RELEASE. UPON JOB REASSIGNMENT OR TERMINATION OF EMPLOYMENT, THIS INDIVIDUAL MUST RETURN THIS EQUIPMENT TO THE INSTITUTION IMMEDIATELY. IF NEGLIGENT, THIS INDIVIDUAL MAY BE SUBJECT TO DISCIPLINARY ACTION OR MAY BE HELD FINANCIALLY LIABLE

BORROWER SIGNATURE	PRINTED NAME & TITLE
APPROVED DIRECTOR OR DEPARTMENT CHAIR SIGNATURE	PRINTED NAME & TITLE

COMPLETE ABOVE AND PROVIDE A COPY TO THE PROPERTY CONTROL MANAGER AT TIME OF LOAN. RETAIN A COPY AND COMPLETE THE PORTION BELOW UPON RETURN OF THE PROPERTY.

THE ABOVE PROPERTY HAS BEEN RETURNED TO THE FOLLOWING LOCATION, _____, IN THE SAME CONDITION AS IT WAS

ACCEPTED AT THE TIME OF LOAN. EXCEPTIONS ARE AS FOLLOWS: _____

BORROWER SIGNATURE (RETURNING): _____ DATE RETURNED: _____

STAFF SIGNATURE (ACCEPTING RETURN): _____ (COPY TO PROPERTY CONTROL MANAGER)



Method of Disposition
 (check appropriate box below)

Donation Sale Trade Scrapped Transferred Surplus / Recycle

Item #	Barcode	Description	Model #	Serial #	Quantity	Condition	Original Cost	Remarks
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

Property Management will assist you by providing original costs and barcoding information. Condition: E=Excellent G=Good P=Poor S=Scrap This form must have appropriate documentation attached per method of disposition. For example, if donation is checked, donation paperwork should be attached.

Printed Name: Dept. VP, Chair, Dean, or Director	Dept. VP, Chair, Dean, or Director (Signed)	Title and/or department equipment assigned to.	
Assistant Director/Property Management (typed)	Assistant Director/Property Management (signed)	Institution Name / Address	Page 1 of
VP or signatory designee (Typed)	VP or signatory designee (Signed)	Date equipment removed from system / /	Date signed / /

Appendix A

GASB 87 Leases

GASB 96 Subscription-Based Information Technology Agreements (SBITAs)

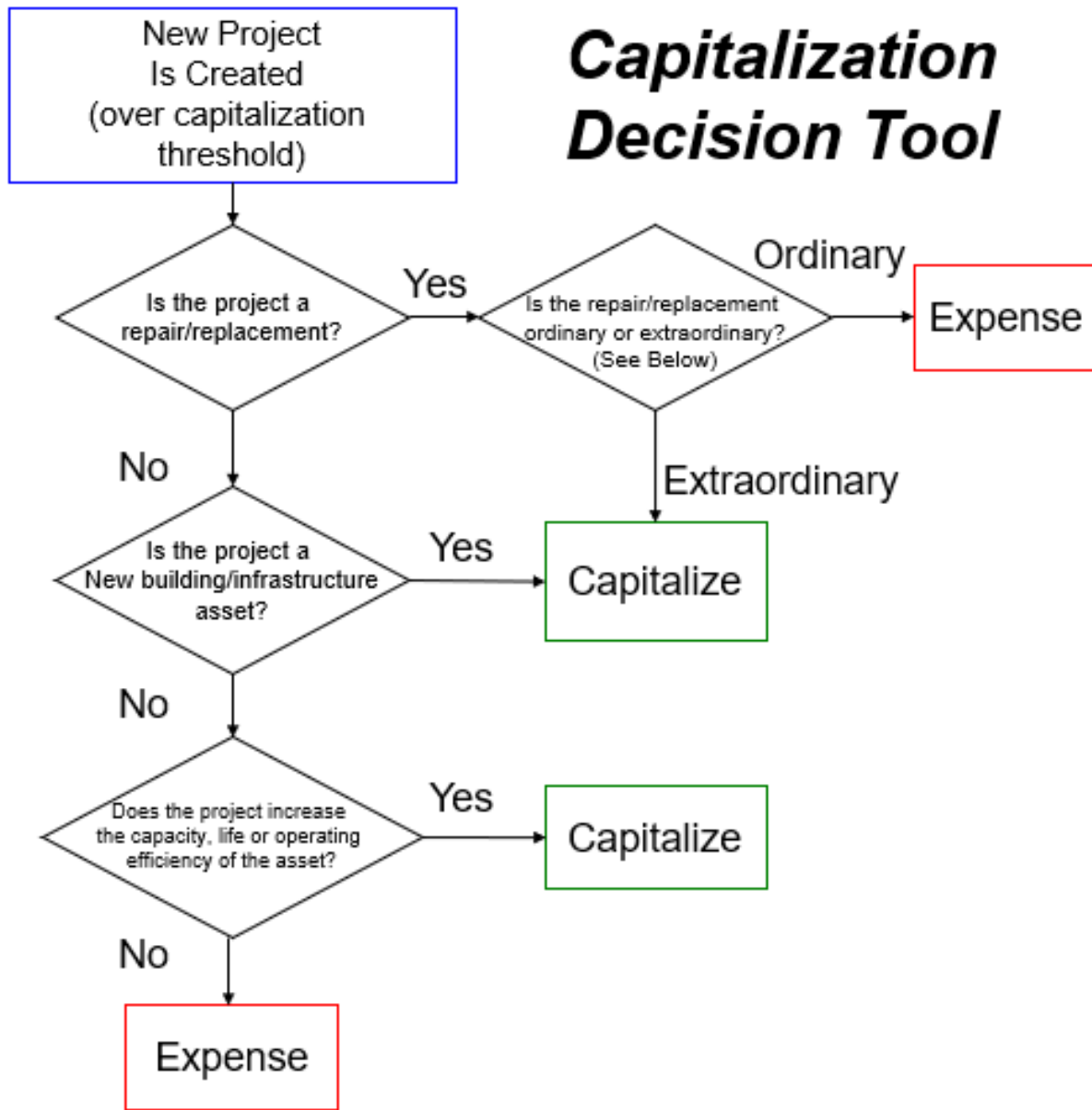
The links below provide information on GASB 87 and GASB 96 as provided by the Office of the State Comptroller. The directives include definitions, guidance on identifying leases and SBITAs, and details on how to calculate and properly report these Right-of-use assets.

[**Asset Management and Inventory Directive #4**](#) - Implementation of GASB Statement No. 87, Accounting and Financial Reporting for Leases

[**Asset Management and Inventory Directive #5a**](#) - Update - Changes to Implementation of GASB Statement No. 96, Subscription-Based Information Technology Agreements

[**Asset Management and Inventory Directive #6**](#) - Implementation of GASB Statement No. 99, Accounting and Financial Reporting for Leases and Subscription Based Information Technology Arrangements (SBITA)

Appendix B



- An **ordinary repair** benefits less than one year or restores an asset to its original utility.
- An **extraordinary repair** either increases the asset's life or makes the asset more useful, and it benefits more than one year.
- The overall cost of the project should be considered but is not necessarily the deciding factor. The project description should help determine whether something is an improvement.