

# University of Missouri System Accounting Policies and Procedures



**Policy Number:** APM 20.25

**Policy Name:** Non-University Owned Assets

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## General Policy and Procedure Overview:

Generally, holding title to an asset equates to ownership, and the entity that has ownership of an asset should report the asset in its financial statements. However, the facts and circumstances of the situation should be considered. There may be instances in which title is held by an external entity, yet many of the rights of ownership are held by the University. Assets in the custody of the University, irrespective of ownership, should receive the same care and safeguards given all University owned property. Typical examples may include assets provided by sponsors as part of awards or assets purchased using agency funds that will be used by the agency. All assets are inventoried, tracked and disposed of in accordance with the terms and conditions of the asset provider. If the asset provider does not stipulate capitalization thresholds or tracking, University policy should be followed.

**NOTE:** Special terms of a sponsored award or regulations such as, Office of Management and Budget (OMB) Circular A-133, or other OMB circulars, may supersede this policy.

## Detail Policy:

When non-University owned assets are in the custody of the University, the Asset Management System (AM) must be updated with information required of a University owned asset (See [APM 20.05.40](#) Capital Assets-Equipment) including annotation in the asset record to denote non-University ownership. The following criteria are used in determining the applicable treatment of the asset based on whether an asset is owned or non-owned.

Scenario	Obtained	University Custodian?	University Owns?	Tag	Book	Account	F&A Charge
1	Purchased by UM	No	No	No	Not recorded in AM	Non-Capital	Yes
	Occasionally an external entity funds equipment purchases to complete necessary University work. The equipment is delivered to, and possessed by a non-University recipient and the University does not own the equipment.						
2	Externally Provided	Yes	No	Non-Owned	NONOWNED	Not in general ledger	N/A
	An external entity may loan or provide the University with equipment. The University does not own the equipment and is expected to return it to the entity. The equipment is entered into AM regardless of capitalization threshold if the University has, or intends to have the equipment for more than six months.						

Scenario	Obtained	University Custodian?	University Owns?	Tag	Book	Account	F&A Charge
3	Purchased by UM	Yes	No	Non-Owned	NONOWNED	Non-Capital	Yes
	Occasionally an external sponsor funds the purchase of equipment to complete necessary University work and ownership is retained by the external sponsor.						
4	Funded by an external agency	Yes	No	Non-Owned	NONOWNED	Capital	No
	The University does not own the equipment and may be expected to return it to the agency. When the University purchases equipment on behalf of an external agency, the purchase will be made from the 6xxx Fund range.						
5	Gift Provided	Yes	Yes	Standard	UNIVERSITY	Capital	No
	Occasionally an external entity will donate equipment to the University and ownership transfers to the University.						
6	Purchased by UM	Yes	Yes/ Probable	Standard	UNIVERSITY	Capital	No
	Ordinarily an external entity that funds the purchase of equipment to complete necessary University work will grant ownership at the time of purchase or probably will at the end of a specified period after completing appropriate administrative steps. The determination of whether to capitalize the asset should be made collaboratively with the Accounting and Sponsored Programs Offices.						

The Campus Procurement Service Center will tag the non-University owned asset with a tag indicating the asset is not owned by the University.

The University conducts a physical inventory of owned and non-owned assets twice a year. AM reports are distributed to departments who are responsible for locating all assets listed on the reports and noting any discrepancies. These inventory reports reflect ownership as owned or non-owned. If a report of non-University owned assets is required, the campus will generate the report from AM.

Non-University owned assets must be disposed of in accordance with the terms and conditions of the asset provider (see [BPM 407](#) Inventory of Moveable Property and Equipment).

*Effective Date: June 1, 2007*

*Revised Date: October 20, 2008*

### **Questions and Comments?**

Questions regarding interpretation and implementation of the Accounting Policy should be directed to the Campus Accounting Office. Suggested edits or revisions to the policy should be directed to the Office of the Controller.