



Title: Property Accounting Policy
Effective Date: July 1, 2025
Issuing Authority: Senior Vice President for Finance and Administration
Policy Contact: Associate Vice President for Finance, 478-301-2644

Purpose

The purpose of this policy is to establish accounting guidelines for Mercer University property.

Scope

This policy applies to

- Mercer University-owned property;
- federally owned property acquired under a Mercer University grant or contract; and
- Mercer University-owned property acquired with grant or contract funds.

Exclusions

None

Definitions

As used in this policy, the following term(s) have the meaning specified below:

Property: any item with an acquisition value of \$5,000 or greater and, in accordance with 2 CFR 200, a useful life of more than one year. Property repairs, maintenance, warranties, and property transfer expenses are not included as property.

Property includes:

- The acquisition value of moveable property plus any attachments that are necessary to make the property usable for its purpose if over \$5,000.
- Major renovations over \$5,000 that add value to the property. (This will not include furnishings under \$5,000 by individual parts.)
- Construction of new buildings. (This would include furnishings under \$5,000 as it is the cost to get an entire new building established.)
- Ownership of software licenses not to include maintenance agreements.
- Donated property at the fair market value if it exceeds \$5,000.
- Leased equipment if the lease meets the qualifications of a capital lease, or if ownership transfers to Mercer University at the end of the lease.
- Land/Land Improvements (Land is not depreciated.)

Policy Statement

Responsibility for the University's property accounting is shared by Mercer University's various departments based on direction provided and oversight by the Fixed Asset Accountant. Each unit is directly responsible for the control, use, and security of all fixed assets in their possession. The responsible person for each unit is also the "responsible person" named on the Financial System account used to purchase the property.

The Fixed Asset Accounting Department responsibilities are defined as:

- Promote good internal controls over property by maintaining the Fixed Asset System and updating as needed.
- Ensure proper approvals and funding for all property purchases.
- Determine what property should be capitalized.
- Ensure compliance with policies and procedures contained in this manual.
- Tag and track all Mercer University property; however, some property cannot be tagged. Exceptions are approved by either the Dean of the School or the Treasurer of the University.
- Record property movement by building and room in the TMA (Space System) as information is provided.
- Complete and verify physical inventory of all property maintained in the Fixed Asset System every 24 months.
- Verify that adequate supporting documentation is maintained for disposals, obsolete, stolen, or lost property. This is to include the exhibits/forms described in the appendix.
- Determine class codes/useful life based on the property acquired to include componentization of building parts.
- Update the Fixed Asset System with disposals.
- Work with the Grants and Contracts Office/Mercer Engineering Research Center (MERC) to ensure compliance with the management standards and administration guidelines according to Federal Acquisition Regulation (FAR) Part 45 and 2 Code of Federal Regulations (CFR) Part 200.
- Reconcile reports between the Fixed Asset System and the Financial System on a monthly basis.
- Calculate straight line depreciation according to the asset/property life.

Property Purchases

Property can be procured through the purchase order system or the accounts payable system. Capitalized property is recorded to 55xxx or 57xxx codes (excluding 578xx codes). Please refer to Exhibit E in the appendix for a detail listing of codes. The Fixed Asset Accountant verifies that all approvals have been completed and there is adequate funding before approving any items charged to these codes.

Based on review of the invoice, the Fixed Asset Accountant will determine the useful life of the property. Please refer to Exhibit F in the appendices for a detail listing of each useful life. The Fixed Asset Accountant will assign an asset number and a useful life in the Fixed Asset System.

The property will be added at cost plus any attachments required (excluding maintenance agreements) at the date received by Mercer University.

The Fixed Asset Accountant will then affix the blue tag with the matching asset number to the property, if possible. If the property cannot be tagged, approval is provided by a Dean of the school or the Treasurer. The Fixed Asset Accountant will populate the Fixed Asset System with the building and room number of the property. If applicable, serial numbers are documented and maintained in the Fixed Asset System.

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Property Location Change

The Fixed Asset Accountant will also update the Fixed Asset System as data is received regarding property moving from one location to another. This data is submitted to the Fixed Asset Accountant by the responsible department on the Property Location Change Form (Appendix Exhibit A). This will also be verified by the Fixed Asset Accountant who will complete a physical inventory of all Mercer University equipment every 24 months. Location is documented by building and room number. Each building has a building code. Please refer to Exhibit R in the appendices for a detailed listing of building codes.

Property Department Change

If a department would like to request property be transferred from one department to another, the Asset Transfer Request Form (Appendix Exhibit B) should be submitted to the Fixed Asset Accountant who will update all data in the Fixed Asset System.

Disposal of Property

If the property to be disposed is property purchased under a University grant or contract, please refer to the Grant and Contract section in the appendix. If the property to be disposed is purchased by the Mercer Engineering Research Center (MERC), please refer to the MERC section of the appendix.

Property can be disposed of due to obsolescence, loss, or theft. The Request for Disposition of Asset Form (Appendix Exhibit C) must be completed and submitted to the Fixed Asset Accountant. If the property was stolen, the form must be accompanied by the police report regarding the incident. The property will be disposed of in the Fixed Asset System.

Donation of Property

All property donated must meet the definition of property as described. Donated property is added at the fair market value at the date of donation, assigned a useful life based on the original date manufactured, added to the Fixed Asset System, and depreciated over the remaining useful life. The Donated Property Form (Appendix Exhibit D) must be submitted to the Fixed Asset Accountant and the University Advancement Office. Government property that is donated may be depreciated but shall not be included in the calculation of the University's or the Mercer Engineering Research Center's (MERC's) indirect cost rate proposal.

Records Retention

According to the Internal Revenue Service records should be stored for a period of seven years.

History

Revised September 1, 2022

Revised December 3, 2024

Appendices

Click [here](#) to access these appendices:

1. Exhibit A: Property Location Change Form
2. Exhibit B: Asset Transfer Request Form
3. Exhibit C: Request for Disposition of Asset Form
4. Exhibit D: Donated Property Form
5. Exhibit E: Mercer Engineering Research Center (MERC) Property Policies and Procedures
6. Exhibit F: Useful Life of Property
7. Exhibit G: Equipment Screening
8. Exhibit H: Authorization for Off-site Use of Movable Property

9. Exhibit J: MERC Expenditure Justification
10. Exhibit K: Non-Mercer University Movable Property
11. Exhibit L: MERC Notification of Receipt of Property
12. Exhibit M: Tangible Personal Property Report
13. Exhibit N: Tangible Personal Property Report Annual Report
14. Exhibit O: Tangible Personal Property Report Final Report
15. Exhibit P: Receiving Discrepancy Report
16. Exhibit Q: Mercer University Procurement Justification Form
17. Exhibit R: Building Codes