
1106.3 PLANT ASSETS – RETIREMENTS

Effective: December, 1986
Last Revised: July, 2016
Last Reviewed: April, 2018
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To properly account for plant asset retirements.

POLICY

1. Responsibility:

The Office of the Comptroller is responsible for ensuring that all retirements of plant assets are properly recorded at the time of disposal in accordance with applicable financial accounting pronouncements. The Office of the Comptroller has delegated this responsibility with respect to moveable equipment assets to the Schools and Centers.

In addition to recording retirements of moveable equipment assets, Schools and Centers are responsible for providing written attestation to the Office of the Comptroller at year end supporting all moveable equipment retirements recorded in BEN Assets during the fiscal year.

Facilities and Real Estate Services (FRES) is required to notify the Office of the Comptroller of retirements of land and/or building assets. The Office of the Comptroller will record the retirement upon notification. Advance notice of any impending sales or retirements is recommended so that the accounting, especially related to any complex real estate transactions, can be reviewed and, if necessary, discussed with and approved by the University's external auditors.

2. Authorization Requirement for Retirements:

Assets may be retired in BEN Assets by designated personnel in the Schools and Centers throughout the fiscal year at the discretion of the individual responsibility centers.

3. Sales:

Sales proceeds for any University of Pennsylvania property belong to the University. Checks should be payable to the "Trustees of the University of Pennsylvania."

State sales tax must be collected and remitted on the sale of property. The sales tax is based upon the location where the property is shipped.

For additional guidance relating to computation and withholding of sales tax, please refer to:

<http://www.finance.upenn.edu/comptroller/accounting/>

Refer to Policy #1106.31, Plant Assets-Disposal of Computing Equipment, for more detailed information on computers.

4. Loss/Theft:

Refer to section 2600 of the University Financial Policy manual for a complete set of University Risk Management Policies.