

**Plant, Property and Equipment Procedure  
Acquisitions: Donated Equipment  
Effective: March 2008**

**Overview**

This is to describe the process for adding donated equipment and collectibles to BEN Assets.

**Responsibilities:**

Central Gifts Processing (CGP)

CGP is responsible for identifying, valuing and recording gifts-in-kind from donors. CGP is also responsible for obtaining information to support the valuation of the property and for forwarding such information to the Property Management Group to record the assets in BEN Assets.

Property Management Group (PMG)

PMG is responsible for reviewing the donated equipment clearing accounts (**1873** Donated Equipment Clearing Account and **1876** Donated Collectibles Clearing Account) on an on-going basis for any journal entries to determine whether an asset needs to be created or adjusted and for creating or adjusting the asset in BEN Assets.

**Business Procedure**

1. Gifts of donated equipment are processed by CGP when received and are entered into the Atlas Gift System (Atlas). When entering the gift into Atlas, CGP assigns a value to the donated asset, usually based on an appraisal or some other valuation. If a value cannot be determined, CGP will assign a value of \$1 to the asset. Once the gift has been recorded in Atlas, this system creates a journal to the General Ledger to record the asset in the **1873** Donated Equipment Clearing Account or to the **1876** Donated Collectibles Clearing Account and to record the associated gift revenue based on the value assigned to the asset. CGP also forwards supporting documentation to PMG to enable PMG to create the asset in BEN Assets.
2. In addition to the supporting documentation, CGP must provide the PMG with the following property information for the donated gift:
  - Location
  - Custodian
  - Custodian Phone Number
  - Responsible ORG
  - Tagging Contact
  - Tagging Contact Phone Number

**Plant, Property and Equipment Procedure**  
**Acquisitions: Donated Equipment**  
**Effective: March 2008**

3. PMG will periodically, but at least once a month, review the activity in the Donated Equipment clearing account and determine whether a new asset needs to be created or an existing asset needs to have its cost adjusted or whether the cost needs to be expensed.
4. In order to be capitalized as a donated equipment asset, the asset should have a value upon donation of \$5,000 or more and a useful life of at least one year.
  - If the donated asset does not meet these criteria, it should be expensed.
  - If the asset is not intended to be held by the university, but is instead going to be resold, then the asset should be recorded as an Asset held for Sale, rather than as a plant, property and equipment asset.
5. For those donated assets that meet the capitalization criteria and are not being held for resale, PMG will create an asset in BEN Assets, adding the property information provided by CGP above.
6. For those donated assets that do NOT meet the capitalization criteria, PMG will prepare a manual journal entry to expense the value of the asset to the appropriate expense object code.

**Reconciliations**

1. On a monthly basis, PMG will reconcile the assets in the balances in the 1873 and 1876 clearing accounts in the G/L. Any reconciling items should be reviewed and addressed promptly. Reconciling items should be aged and cleared within 90 days.
2. On a monthly basis, PMG will reconcile the new assets created in BEN Assets with the activity in the G/L. Any reconciling items must be reviewed and addressed promptly. Reconciling items should be aged and should be cleared within 90 days.
3. At the end of each month PMG will reconcile the acquisition cost of donated equipment in BEN Assets with the balance in the **1838** Donated Equipment account in the G/L. Any reconciling items must be reviewed and addressed promptly. Reconciling items should be aged and should be cleared within 90 days.
4. At the end of each month PMG will reconcile the acquisition cost of donated collectibles in BEN Assets with the balance in the **1858** Donated Collectibles account in the G/L. Any reconciling items must be reviewed and addressed promptly. Reconciling items should be aged and should be cleared within 90 days.
5. PMG will add current month additions to the Plant Rollforward schedule