Valuation of University Equipment

All University-owned personal property shall have a recorded value for purposes of inventory replacement or reporting.

The basis for valuation of an equipment asset to be recorded is dependent on how an asset is acquired as shown below:

a. Valuation at Acquisition Cost
   1) Outright purchases from vendors of both new and used items.
   2) Fabrication or construction of assets by the University.

b. Valuation at Established (Original Acquisition) Cost
   Transfer of equipment to the University from a governmental agency. This includes Federal excess and surplus property and other government furnished assets.

c. Valuation at Fair Market Value
   1) Donations of "Gifts or Grants" by individuals or agencies.
   2) "Fair Market Value" means the value of the property determined by the donor/grantor or by independent appraisal. Refer to APM A8.506-2, Acquisition and APM A8.720, Procedures for Receiving and Recording Gifts and Grants.
   3) Valuation of surplus items acquired under the State Agencies Surplus Property program from DAGS Surplus Property Office shall be valued at 23.3 percent of its ORIGINAL ACQUISITION COST. Refer to APM A8.506-5, Acquisition of Surplus Property.

Cost is the accepted basis of valuation for recording value of University equipment. Costs incurred in obtaining possession of an equipment item and putting it into usable condition such as price, taxes, freight, delivery, customs duty, installation and other necessary charges are to be included in the valuation.
Account Custodians are responsible for notifying the Inventory Management Section of any costs not reflected on the University payment document which should be added to establish the item's recordable value by memorandum.