

**FLORIDA BOARD OF GOVERNORS
NOTICE OF PROPOSED NEW REGULATION**

DATE: March 24, 2011

REGULATION NUMBER AND TITLE: Regulation 9.001 Definitions

SUMMARY: Currently, University property management follows the state agency requirements developed by the Department of Financial Services (Florida Administrative Code 69I-72), and established pursuant to Chapter 273 Florida Statutes. This statute and rule was developed for state agencies using the state's accounting system. Since the universities now use their own enterprise resource planning systems, many of the specific requirements are inapplicable.

The new regulation closely parallels the existing rule, while at the same time increasing the threshold limits and generally providing a more streamlined regulation. For several years, university controllers have been seeking to increase the tangible personal property accounting threshold from \$1,000 to \$5,000, in order to achieve administrative efficiencies and cost savings.

The proposed language was developed in conjunction with university staff. No adverse impact has been identified by adoption of these regulations.

FULL TEXT OF THE REGULATION IS INCLUDED WITH THIS NOTICE.

AUTHORITY TO PROPOSE REGULATION(S): Section 7(d), Art. IX, Fla. Const.; BOG Regulation Development Procedure dated March 23, 2006.

THE BOARD OF GOVERNORS' OFFICIAL INITIATING THE PROPOSED REGULATION: Chris Kinsley, Director of Finance & Facilities

COMMENTS REGARDING THE PROPOSED REGULATION SHOULD BE SUBMITTED WITHIN 14 DAYS OF THE DATE OF THIS NOTICE TO THE CONTACT PERSON IDENTIFIED BELOW. The comments must identify the regulation on which you are commenting:

General Counsel, Board of Governors, State University System, 325 W. Gaines Street, Suite 1614, Tallahassee, Florida 32399, (850) 245-0466 (phone), (850) 245-9685 (fax), or generalcounsel@flbog.edu.

Regulation 9.001 Definitions.

(1) "Capital Asset" means real or personal property that has a cost equal to or greater than an established capitalization threshold and has a useful life extending beyond one year. Capital assets are reported in the statement of net assets in financial reporting.

(2) "Control Accounts" means summary accounts designed to control accountability for individual property records. Unlike individual property records which establish accountability for particular items of property, control accounts accumulate the total cost or value of the custodian's property and through entries to the control accounts documenting acquisitions, transfers and dispositions, provide evidence of the change in that total cost or value over periods of time as well as the total cost or value at any point in time.

(3) "Cost" means acquisition or procurement cost (i.e., invoice price plus freight and installation charges less discounts). "Trade-in discounts" should not be deducted from the full purchase price.

(4) "Custodian" means, without limitation, the University President.

(5) "Custodian's Designee" means a person that the custodian has authorized to act on his/her behalf.

(6) "Depreciated Cost" means acquisition cost less accumulated depreciation.

(7) "Depreciation" is the systematic and rational allocation of the acquisition cost of an asset over the expected useful life of the asset.

(8) "Financial System" means the University's Enterprise Resource Planning system.

(9) "Fiscal Year" means the State's fiscal year.

(10) "Identification Number" means a unique number assigned and affixed to each item of property to identify it as property held by the custodian and for the purpose of differentiating one item of property from another.

(11) "Property" means equipment, fixtures, and other tangible personal property of a nonconsumable and nonexpendable nature.

(12) "Property Manager" means a person acting under the supervision of the custodian to whom the custody of property has been delegated by the custodian

(13) "Unaccounted for Property" means property held by a custodian subject to the accountability provisions of Regulation 9.003, which cannot be physically located by the custodian or custodian's delegate and which property has not been otherwise lawfully disposed of properly.

(14) "Value" means the worth or fair market value at the date of acquisition for donated property.

Authority: Section 7(d), Art. IX, Fla. Const.; History: New XX-XX-11