

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

DATE: March 24, 2011

REGULATION NUMBER AND TITLE: Regulation 9.002 Recording and Marking of Property

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 9.002 Recording and Marking of Property

(1) Capitalization Threshold for Recording Tangible Personal Property - All tangible personal property with a value or cost of \$5,000 or more and having a projected useful life of one year or more shall be recorded in the financial system as property for inventory purposes. Library resources with a value or cost of \$250 or more and having a useful life of one year or more shall be recorded in the financial system as property for inventory purposes. For the purpose of this regulation, “cost” is used if the property is purchased and represents the purchase price of the property item; “value

the item shall be determined by appropriate methods and recorded.
Estimated historical costs shall be identified in the record and the basis of
determination established in the custodian's records. The basis of
valuation for property items constructed by custodian personnel shall be
the costs of material, direct labor and overhead costs identifiable to the
project. Donated items, including federal surplus tangible personal
property, shall be valued at fair market value at the date of acquisition.
Regardless of acquisition method, the cost or value of a property item
shall include ancillary charges necessary to place the asset into its
intended location and condition for use. Ancillary charges include
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property identification number is exempt from the requirement for physical marking. However, the custodian's property records shall contain sufficient descriptive data to permit positive identification of such items.

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