

September 12, 2018

MEMORANDUM

TO: State Board of Regents  
FROM: David L. Buhler  
SUBJECT: USHE – Adoption of Policy R572, Noncapital Asset Inventory and Tracking

Issue

The Board is being asked to review and discuss a new Noncapital Asset Tracking policy as requested in the legislative audit: *A Performance Audit of Inventory and Security Controls at Institutions of Higher Education*.

Background

In *A Performance Audit of Inventory and Security Controls at Institutions of Higher Education* audit, the Office of the Legislative Auditor General recommended,

“the Utah State Board of Regents create and document a policy specifying requirements for noncapital asset tracking procedures. This policy should plainly define the value and types of assets to be tracked and the methods to be used.”

Noncapital assets would be defined by policy as “equipment or other physical asset with an acquisition cost of less than \$5,000 per unit and with a useful life of greater than one year.” Institutions currently track and review capital assets, which includes assets greater than \$5,000.

This proposed policy would address the audit recommendation by creating a system policy that would require tracking and regular review of the following noncapital assets:

1. Assets with an acquisition cost greater than or equal to \$3,000.
2. All electronic assets (e.g., computers, tablets, mobile devices) of any value.
3. Assets that could be easily lost or stolen, and whose loss would create an expected financial burden on the institution that would be greater than the cost of tracking the asset.

Institutions also would be required to report missing noncapital assets to institution management at least annually.

Commissioner's Recommendation

The Commissioner recommends that the Board review and consider the proposed policy on Noncapital Asset Tracking and advise staff of any recommended changes to be made when presented for formal adoption at the November Board meeting.

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David L. Buhler  
Commissioner of Higher Education

DLB/KLH/DSP  
Attachment

**R572-1. Purpose:** To establish policies and standards governing noncapital asset inventory and tracking within the Utah System of Higher Education (USHE).

### R572-2. References

- 2.1. *Utah Code §63G-2 (Utah Government Records Access Management Act)*
- 2.2. 20 U.S.C. §1232g; 34 CFR Part 99 (*Family Education Rights and Privacy Act*)
- 2.3. HIPAA; Pub.L. 104–191, 110 Stat. 1936 (*Health Insurance Portability and Accountability Act of 1996*)

### R572-3. Definitions

- 3.1 **Acquisition Cost:** The net invoice unit price including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it is acquired.
- 3.2 **Disposal:** To pass or part with, in relieving custodial responsibility when an asset is sold, lost, obsolete, or damaged beyond economic repair.
- 3.3 **Noncapital Asset:** Equipment or other physical asset with an acquisition cost of less than \$5,000 per unit and with a useful life of greater than one year.
- 3.4 **Personally Identifiable Information (PII):** Information protected by federal and state laws and regulations, including federal regulations administered by the U.S. the Department of Homeland Security (DHS), and is defined by DHS as “any information that permits the identity of an individual to be directly or indirectly inferred, which if lost, compromised, or disclosed without authorization could result in substantial harm, embarrassment, inconvenience, or unfairness to an individual.” PII must be protected prior to release in accordance with the *Utah Government Records Access Management Act* or other disclosures required by law.

PII does not include “public information” as defined by the *Utah Government Records Access and Management Act*, or in the case of student records, “directory information” as defined by the *Family Education Rights and Privacy Act*.

PII includes but is not limited to the following:

- 3.4.1. Full Social Security Number
- 3.4.2. Driver's license or State ID number
- 3.4.3. Passport number
- 3.4.4. Visa number

- 3.4.5. Alien Registration Number
- 3.4.6. Fingerprints or other biometric identifiers
- 3.4.7. Full name in combination with:
  - 3.4.7.1. Mother's maiden name
  - 3.4.7.2. Date of birth, last 4 digits of SSN
  - 3.4.7.3. Citizenship or immigration status
  - 3.4.7.4. Ethnic or religious affiliation
- 3.4.8. Protected Health Information, as defined by the *Health Insurance Portability and Accountability Act of 1996*.

#### R572-4. Policy

- 4.1. **Noncapital Asset Inventory:** Each institution shall affix an asset tag with a unique identifier to and maintain an inventory of the following non-capital assets:
  - 4.1.1. Assets with an acquisition cost greater than or equal to \$3,000.
  - 4.1.2. Institution-owned electronic assets of any dollar value—including computers, tablets, printers, and mobile devices—that may contain PII at any point during the institution's ownership of the asset.
  - 4.1.3. Any other noncapital asset of any amount that easily could be pilfered or lost and whose loss would create an expected financial burden on the institution that would be greater than the cost of tracking the asset.
- 4.2. Each institution shall retain an updated list of all inventoried noncapital assets until such items are processed for disposal. This list should include the names of the custodian to whom each asset is assigned.
- 4.3. Each institution shall review the existence and ownership of all inventoried noncapital assets at least annually to ensure the asset is in possession of the designated custodian.
- 4.4. Noncapital asset custodians shall immediately report any lost or stolen noncapital assets to the their immediate supervisor.
- 4.5. A list of missing institution assets shall be reported to the institution's vice president for business or finance at least annually.
- 4.6. Institutions may create policies that are more restrictive than this policy.