Procedures for Verification of Federally-Funded Capital Assets

Purpose: This document is to provide description of the procedures that have been implemented to ensure that all federally-funded assets, including grant, Smith-Lever, and Hatch-related assets, are verified in compliance with federal requirements.

History: During the University of Idaho's (UI) fiscal year 2019 (FY19) audit, it was discovered that multiple federally grant-funded capital assets had not been verified within the required two-year window as defined above. As a result, there was a significant audit finding recorded by Moss Adams in the audited FY19 financial statements. Subsequent to that finding, it was also determined by the UI Office of Sponsored Programs that all capital assets purchased on Smith-Lever and Hatch funds must be included in this verification. As a result of this/these finding(s), the General Accounting Department has developed the procedure below to ensure that the UI is in full compliance with federal requirements.

Procedure:

1) The list of all federally-funded assets, by department, will be scheduled for verification. This schedule will run on an 18 month rotation to ensure that each asset will be verified within the required two-year window. This schedule will be communicated to allow departments to plan and expect verifications of assets at the scheduled times.
2) On-campus assets will be physically verified by personnel from the General Accounting. Off-campus assets will be verified by University personnel employed at those off-campus locations providing photo proof of and attestation to the existence of each qualifying asset.
3) Documentation of physical verifications will consist of the following:
   - Digital photographs of the asset being verified, including the asset's inventory tag wherever possible.
   - A listing of assets to be verified will be provided each surveyor and will include fields for the verifier's signature and dating of each verification. Signature and date will constitute an attestation by the individual surveyor that each asset has in fact been verified. This list will be also be reviewed and signed off by the surveyor's supervisor.
   - Verification dates will be recorded in the UI ERP system for reporting as needed.
   - Electronic records will be maintained for both photographic and list/attestation documentation.
   - The Banner asset record will be updated to reflect the verification