

Appendix A: Definitions

Policy: Property, Plant, and Equipment (024-0001)

Accessory Equipment	A moveable item which can be added in order to make an existing piece of equipment more useful or versatile and can be used with other similar equipment. The cost of an accessory purchased separately after the original equipment has been received and made operable should not be added to the value of the original piece of equipment in the Fixed Asset Module. If an accessory meets all the criteria of non-capital or capital property (i.e., it is tangible property having a useful life greater than one year and an acquisition cost of \$5,000 or more), it should be treated as a separate item of equipment.
Accumulated Depreciation	The total amount of depreciation expense that has been allocated to an asset since it was put in use. Depreciation reduces the book value of an asset over time and is recorded for financial statement purposes.
Acquisition Cost/Value	Value of an item at the time it is acquired. The value is determined by the invoice price prior to any reduction for a trade in. Also included are costs incurred to place the asset into service, for example, freight, installation, and testing. For donations/gifts of property the acquisition cost is \$0 in the Fixed Asset Module but the fair market value at the time of donation is used for insurance purposes.
Additions	Acquisition of new assets, or improvements or modifications to existing assets, that increase the useful life or the service potential of the asset. Examples include an addition to a building or renovations to repurpose the space; adding a new part(s) or feature to an existing piece of equipment that increases functionality. Additions that cost over \$5,000 or more are added to the original capital or non-capital equipment.
Appraised Value	Estimated value of an asset based on the expertise of a qualified independent appraiser.
Asset	Anything of monetary value owned by Dartmouth. Examples of assets include cash, receivables, inventory, land, buildings and equipment (meeting specified dollar threshold).

Asset Number	Sequential number generated by the Fixed Asset System that is unique and assigned to each asset.
Audio Visual Systems	Although an audio-visual system's total combined cost is often greater than \$25,000, a system generally consists of individual items of varying cost and also items that are not considered to be part of the equipment cost. Therefore, each line item is evaluated separately to determine the correct accounting treatment.
Bar Code Tag	Asset identification tag assigned and affixed to an asset to assist in its identification and the physical inventory of equipment.
Book Value	Difference between the acquisition cost and accumulated depreciation. At the time of acquisition, book value equals acquisition cost. For donations/gifts of property the acquisition cost is \$0 in the fixed asset system but the fair market value at the time of donation is used for insurance purposes.
Building	Roofed facility intended for the permanent or temporary shelter of persons, animals, plants, or equipment.
Building Component	Equipment items designed and installed as an integral part of a structure. Building components differ from fixed equipment in that they are not separate from the building structure. Useful life of building components may differ from that of the building. Note: building components are only capitalized as part of a CIP project, all other purchases are considered repair and maintenance expenses.
Capital Asset	An item that is tangible, permanent, with a life of more than one year that is held for purposes other than investment or resale and has a value of \$25,000 or greater. (Exceptions; land - no threshold). There are five types of capital assets: land, land improvements, buildings, building improvements (as part of a capital project/CIP), and equipment (moveable only unless part of a capital project/CIP).
Capital Equipment	A single piece of moveable equipment or an equipment system with a value of \$25,000 or more. Multiple pieces of equipment that individually cost less than \$25,000 but work together to be operational are considered a system. An example of a system: lab equipment that is dependent upon multiple pieces of equipment to function as a single

	unit. Examples of multiple pieces working together that are not a system: storage devices added to a server to add additional storage space, the server can operate without the additional device or, a computer linked to a projector, the computer and projector can each be used separately, or any add on item that is usable with multiple pieces of equipment and can easily be moved and used at another location.
Capital improvement	Capital improvement refers to expenditures over \$50,000 which should be set up as a CIP that create an addition or expand a physical space, create an increase in capacity or efficiency, replace a major component or structural part of the property, and/or adapt a property to a new or different use.
Capitalize	To record a cost as an asset on the balance sheet for the purpose of amortizing (depreciating) the cost over its estimated useful life rather than as an expense in one accounting period.
Collectible	Items of value or interest acquired for display. Collectibles are not tracked in the Fixed Asset System unless required by contractual agreement. See Special Collections definition.
Construction in Progress (CIP)	Construction, additions, renovations, improvements, fabrication, or customization project where capital costs are expected to be greater than or equal to \$50,000. See <i>Constructed and Fabricated Asset Policy (ID: 024-0006)</i> .
Custodian	Faculty or staff member designated by a department/division as responsible for assets within their control. Responsibilities include assisting the Fixed Asset/Surplus Property Administrator in identifying and tagging new equipment, communicating changes in equipment location, and coordinating equipment sales, transfers or disposals using appropriate forms and assisting in a periodic inventory of all moveable equipment.
Depreciation	Method for allocating the cost of buildings and equipment over time. Generally accepted accounting principles and federal regulations dictate that the value of capital assets must be expensed over the estimated useful life of the asset.
Disposal	When college property, assets, and moveable equipment is scrapped, recycled, or salvaged. Materials Management Disposal Request Form must be submitted to Materials Management.

Disposition	Refers to the disposition of college property, assets, and moveable equipment and their removal from fixed assets inventory; this can include the sale, exchange, abandonment, and involuntary termination of assets. (Examples: sale, gift, donation, trade-in, transfer to another entity, etc.). An Equipment Transfer Request Form must be submitted to the Fixed Asset/Surplus Property Administrator.
Donated	Gifted or given to Dartmouth by a third party voluntarily, without charge or expectation of anything in return.
Equipment Onboarding	Equipment received by Dartmouth College through a transfer, gift, donation, loan, award, sub-award, lease, lease buyout, or P-Card purchase which are not subject to the standard purchase process through the office of Procurement Services. The <u>Dartmouth College Equipment Onboarding Form</u> must be completed and submitted to the Fixed Asset Administrator.
Equipment or Asset Trade-In	Refers to equipment or an asset that is conveyed to a vendor as payment or in exchange for a discount on another piece of equipment or asset. See <i>Appendix G Trade-In and Credit Guidelines</i>
Expensed Equipment	Equipment type items with a value of less than \$5,000. Examples include most computers, file cabinets, calculators, chairs, printers, pictures, etc. Equipment under the \$5,000 threshold is not tracked in the Fixed Asset Module and is not subject to periodic inventory unless otherwise required by a contractual agreement, such as a grant.
Expense	Charge incurred for the current fiscal period.
Export Control	Export Controls are a complex set of Federal laws and regulations that govern how physical items, technology, information, and data may be exported from the United States or shared with foreign persons within the United States. Export controls are designed to protect U.S. national security, to further U.S. foreign policy goals, and to maintain U.S. economic competitiveness. For more information see <i>Export Control Policy (ID: 035-0008)</i> .
Fabricated Equipment	Equipment that is assembled or manufactured by Dartmouth using purchased materials, and in-house machinery, tools, and

	labor. Fabricated equipment costing \$25,000 or more and having a useful life of one year or more must be accounted for as construction in progress (CIP) until completion. Fabricated equipment costing \$5,000 to \$24,999 and having a useful life of one year or more must be recorded as moveable equipment. Departments are responsible for properly tracking all costs to assemble the equipment. Please refer to the <i>Constructed and Fabricated Equipment Policy (ID: 024-0006)</i> for information regarding both capital and non-capital fabricated equipment
Facilities and Administrative Cost Rate (F&A)/Indirect Costs	Costs incurred to conduct normal business activities of the institution which cannot easily be identified with or directly charged to a specific sponsored project award. These costs may also be referred to as indirect costs, overhead or administrative costs. F&A rates are the mechanism used to reimburse Dartmouth for these costs. The rate calculation is based on expenses deemed allowable by the federal government Office of Management and Budget (OMB) as outlined in the Uniform Guidance.
Fixed Asset/Surplus Property Administrator	The individual in Procurement Services who is responsible for the overall completeness of Dartmouth moveable equipment records. This individual is responsible for making sure all equipment new to campus is tagged and entered into the Fixed Asset Module; that changes in location, transfers, sales, or disposal of equipment are recorded in the Fixed Asset Module; and that a biennial physical inventory is done for all equipment.
Fixed Equipment	Equipment permanently affixed to a building but separate from the building itself. Examples include building systems, light fixtures, and flooring.
Gift-in-Kind	Donation of a tangible or intangible asset other than cash or securities. Can be something consumable, such as office equipment or supplies; or something with a longer duration, such as books, artwork, or copyright interests.
Gift-in-Kind, Capital, or Non-Capital Asset	Donation to Dartmouth of a tangible asset other than cash or securities that has a useful life of more than one year and a value of \$5,000 or more. Materials Management must be notified.
Government/Corporate	Special tag affixed to an asset to indicate the asset's ownership by a government or corporate entity.

Property Control Tag	
Improvement (Land or Building)	Improvement refers to expenditures under \$50,000 that will create an addition or expand a physical space, create an increase in capacity or efficiency, replace a major component or structural part of the property, adapt a property to a new or different use. This includes land improvements which are modifications to an outside area, other than repairs. Examples include sidewalks, parking lots, utility lines, and fences. Improvements are expensed unless they are over \$50,000 and set up as a CIP.
In-Service Date	For purchased equipment or items, the in-service date is the date the unit(s) became operable. For CIPs, the in-service date is the date of Substantial Completion (see definition below).
Intangible Asset	Asset not having physical substance (examples: a patent, good will).
IRS Form 8282	Form that must be sent to the IRS and the donor if donated property (other than publicly traded securities) is disposed of within three years of the date of the gift and the donated property was valued on Form 8283 at more than \$5,000.
IRS Form 8283	Form that a donor is required to attach to their tax return whenever they donate property (other than cash or marketable securities) valued at more than \$500. If the property is valued at more than \$5,000, the Gift Planning Office receives and signs the form, and returns it to the donor.
Land	Solid part of the earth's surface improved or unimproved.
Lease Buyout or Purchase	An option to buy a leased asset at the end of the lease term. Please reference the <i>Property, Plant, and Equipment Policy</i> (ID: 024-0001).
Lease, Finance	Installment payment agreement made to acquire property, asset(s), or moveable equipment. A lease is considered a finance-type lease under any of the following circumstances: ownership transfers to lessee at end of lease; lease contains bargain purchase option; lease period is a major portion of the asset's

	<p>useful life; present value of lease payment equals or exceeds the asset's fair market value; the asset is so specialized that there is no alternative use to the lessor at the end of the lease term.</p> <p>Financial Reporting must be notified of all leases to classify as finance or operating, as each is accounted for differently (grant funded leases must be tracked for audit purposes).</p>
Lease Liability	<p>A lessee is required to measure and record a lease liability equal to the present value of the remaining lease payments, discounted using the rate implicit in the lease (or if that rate cannot be readily determined, the lessee's incremental borrowing rate), pursuant to ASC 842.</p>
Lease, Operating	<p>Installment payment agreement that does not meet the criteria of a finance lease.</p> <p>Financial Reporting must be notified of all leases to classify them as finance or operating, as each is accounted for differently.</p>
Maintenance	<p>Activities related to the repair and upkeep of an asset, with the intent of preserving the original useful life and function. Maintenance is expensed in the fiscal period the maintenance activity is performed.</p>
Market Value	<p>Cost to acquire an item in its current condition through an arm's-length transaction. Also referred to as "fair market value."</p>
Moveable Equipment	<p>Item that is neither permanently affixed to nor part of a building or building system. Examples include boats, centrifuges, microscopes, vehicles, etc.</p>
Non-Capital Property/ Moveable Equipment	<p>Includes all equipment that is not permanently affixed to a building (either a single piece or a system), has a useful life greater than one year and has a unit cost at the time of purchase of \$5,000 to \$24,999 (if donated or gifted, the fair market value when received). This equipment is not capitalized, but it is recorded as equipment in the Fixed Asset System for tracking and inventory requirements. This is necessary for government compliance and F&A cost proposal purposes. Please see the <i>Moveable Equipment Inventory Policy (ID: 024-0011)</i> for further information.</p>

Obsolescence	Factor to consider when determining the disposition of assets. Assets are obsolete when no longer useful to Dartmouth.
Office Furniture & Fixtures	Modular components that make up a work area. Examples include panels, work surfaces, drawers, and overhead shelves. Individual components that cost less than \$5,000 are not tracked in the Fixed Asset System and should be expensed when purchased. Individual components costing \$5,000 or more should be identified with a bar code tag and tracked as a piece of moveable equipment.
On-Campus	Location that is Dartmouth-owned, operated, or affiliated. All Dartmouth facilities have an assigned location code in the Fixed Asset System.
OSP	An acronym used to describe the Office of Sponsored Projects at Dartmouth
Ownership Tag	Identification tag affixed to equipment with an acquisition cost below \$5,000. These items are not subject to physical inventory requirements. Note: Collectibles are not required to be tagged.
Post Implementation Stage	Activities performed after asset acquisition. Includes data conversion, employee training/ travel, annual licenses and fees if related to a constructed asset, CIP. See <i>Appendix F Constructed Asset Guidance and Constructed and Fabricated Asset Policy (ID:024-0006)</i> .
Preliminary Stage	Includes costs of planning and studies related to potential capital projects (constructed asset, CIP). This stage includes activities performed to explore opportunities for acquisition or construction of an asset. See <i>Appendix F Constructed Asset Guidance and Constructed and Fabricated Asset Policy (ID:024-0006)</i> .
Principal Investigator (PI)	Has primary responsibility for managing sponsored project awards. Responsibilities include managing the work of the project and responsible spending of project funds.
Property	Any item, whether or not it is an operable or a complete unit, that was donated to Dartmouth or purchased with gift, grant, contract, or unrestricted general funds. Title is vested in Dartmouth unless

	there are specific provisions reserving rights for another party, such as when property is purchased with federal funds.
Renovation	Construction activity that changes and/or improves the function of all or part of a facility. May be capitalized if the actual cost is at least \$50,000, or if the project adds usable space. Renovations costing less than \$50,000 will be expensed in the current period as repairs and maintenance. See Construction in Progress (CIP) definition.
Replacement	The substitution of a similar part for an original part. If the replacement does not significantly increase the capacity, efficiency, or economic useful life of the original item than these costs, regardless of dollar amount, should be recorded as repairs and maintenance expense, not added to the value of the original asset, or recorded as a separate asset.
Repairs	Repairs and maintenance expenses are defined as any cost incurred to maintain the existing item that does not significantly increase the capacity, efficiency, or economic useful life of the original item. These costs, regardless of dollar amount, should be recorded as repairs and maintenance expense, and not added to the value of the original asset or recorded as a separate asset.
Right of Use Asset (Lease)	A lessee is required to record a right-of-use asset equal to the amount of the initial measurement of the lease liability, any lease payments made to the lessor at or before the commencement date, minus any lease incentives received, and any initial direct costs incurred by the lessee (pursuant to ASC 842-10-30-9 through 30-10).
Scrap (Recycled or Salvaged) Equipment	Item that can be recycled or broken down into parts for disposal or salvage. The disposal process is managed by Materials Management.
Software	Complete set of programs, procedures, and related documentation associated with a computer system. Software is considered intangible property and is not generally recorded in the Fixed Asset Module. The value of pre-loaded computer software may be included in the cost of the equipment recorded in

	the Fixed Asset Module when the cost of the software is not separately identified on the invoice.
Special Collections	Works of art, rare books, historical treasures, or scientific specimens that are held for public exhibition, education, or research, rather than for financial gain. They are protected, preserved, and subject to a formal policy that recommends that the proceeds of items sold be used to acquire other items for collections.
Substantial Completion	The stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents and applicable permits and approvals so that the Owner can occupy or utilize the Work for its intended use, with only minor punch list items remaining. The Work will not be considered suitable for Substantial Completion review, and the Contractor shall not be deemed to have achieved Substantial Completion until: (i) all Project systems included in the Work have been started up, tested, and are operational as designed and scheduled; (ii) to the extent reasonably required, the Contractor has instructed Owner’s personnel in the operation of all systems and equipment; (iii) the site has been cleaned up and complete reclamation, including without limitation removal of excess materials, rock, sand, paving, debris, dumpsters, supplies, equipment and trailers, and disconnection of temporary utilities, and (iv) the Contractor has arranged for and obtained all designated or required governmental inspections, written approvals, and certifications necessary for legal use and occupancy of the completed Project.
Surplus Equipment	Item that is no longer needed or required. The disposal process is managed by Materials Management.
Transferee	Entity or person who is receiving title or custody of property.
Transferor	Entity or person who transfers or conveys property.
TTO	An acronym used to describe the Technology Transfer Office at Dartmouth.
Upgrades	A change, modification, or improvement made to a piece of equipment that improves capacity, capability, efficiency, or useful

	life. Upgrade costs of \$5,000 or more are added to the original capital or non-capital equipment.
Useful Life	Period over which a capital asset has use to Dartmouth in performing the function for which it was purchased. For a chart of useful lives by asset class see <i>Appendix B Useful Life and Depreciation</i> .