

SYCF [2023] No. 25 Attachment:

Management System of Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences on Fixed Assets (Revised in 2022)

Chapter 1 General

Article 1 To strengthen fixed asset management of Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences (SIAT), clarify position responsibilities, standardize regulatory procedures, improve the efficiency of asset use, and maintain asset safety and integrity, this System is hereby formulated according to relevant provisions of the *Financial Rules for Public Institutions* (Decree 68 of Ministry of Finance), the *Interim Measures for Management of State-owned Assets of Public Institutions* (Decree 36 of Ministry of Finance), the *Notice of the Chinese Academy of Sciences on the Issuance of the <Management Measures of State-owned Assets of the Chinese Academy of Sciences ' Public Institutions* (KFTC ZI [2022] No. 14), and the *Notice of Bureau of Support and Finance of the Chinese Academy Of Sciences on Forwarding the <Management Measures of Disposal of State-Owned Assets of Central Administrative Institutions>*(KFTCH ZI [2021] No. 298).

Article 2 This System applies to all research institutes, department of public service for science and technology , and management departments of the SIAT (hereinafter referred to as "each unit").

Article 3 The fixed assets set out in this System refer to research and management assets possessed and used by the SIAT, with a unit value above the prescribed standard, enduring and durable, with the purpose of use rather than sales.

Article 4 The main tasks of fixed asset management: Establish and improve various rules and regulations, clarify property rights relations, and implement property rights management; ensure the safety and integrity of fixed assets, and advance the rational allocation and effective use of fixed assets.

Article 5 The main content of fixed asset management: Demonstration, budget, procurement, acceptance, accounting, use, inventory, and disposal of fixed assets, and the responsibilities, management, and assessment of asset administrator.

Chapter 2 Standard, Classification, and Valuation of Fixed Assets

Article 6 Those meeting the following criteria are classified as fixed asset management:

(1) The assets having been used for above one year, with a unit value for general equipment of above 1,000 yuan, special equipment of above 1,500 yuan, furniture of above 500 yuan, and keeping the original material form during the use basically.

(II) Large quantities of similar materials that do not meet the prescribed standard but have been used for more than one year and procurement more than 50 units at one time should be managed as fixed assets.

Article 7 Fixed assets should be managed by classification which includes houses and structures, special equipment, general equipment, cultural relics and exhibits, books and archives, furniture, appliances, fittings, flora and fauna.

(1) Cultural relics and cultural assets belong to fixed assets, but are not depreciated and are not accounted for in the account title.

(2) Books with a unit value of more than 1,000 yuan (inclusive), batch procurement amount of more than 3,000 yuan (inclusive), and service life of more than one year are accounted for as fixed assets.

(3) For application software, if it constitutes an indispensable part of related hardware, its value should be included in the value of the hardware it belongs to and accounted for as a fixed asset; otherwise, its value should be accounted for as an intangible asset.

Article 8 Fixed assets are valued at actual cost.

(1) The procurement and transferred fixed assets should be valued according to the actual procurement price (including the cost of software coming with hardware), the transfer price, as well as transportation and miscellaneous charges, insurance, installation cost, vehicle procurement surcharge, etc.

(2) The self-built fixed assets should be valued according to the actual total expenditure during the building process (including the expenditure on the development of special software). The expenditure incurred during research equipment development, which meets the fixed asset standard, should be managed according to the fixed asset subordination; other expenditures not meeting the fixed asset standard (including multiple fiscal periods) should be transferred to the fixed asset by one-time valuation after equipment acceptance. For the fixed assets derived from the capital construction expenditures, it is necessary to undergo procedures of the final accounts for the completion of capital construction and delivery and use according to relevant regulations, and the final accounts for capital construction should be included in the management of fixed assets as the original value of the fixed assets.

(3) The fixed assets renovated and expanded based on the original fixed assets should be valued according to the net value of the total capital expenditure incurred in the renovation and expansion, less the income derived from the increased prices during such process.

(4) The donated fixed assets should be valued according to the market price of similar fixed assets or relevant vouchers and the relevant expenses incurred when receiving donations.

(5) Fixed asset transferred without compensation, whose original value cannot be obtained, should be valued or estimated according to the market value of similar commodities.

(6) Inventory-surplus fixed assets should be valued according to the replacement cost.

(7) Equipment imported in foreign currency should be valued according to procurement price converted into RMB according to the exchange rate at the procurement time, plus the overseas freight and other expenses (the foreign currency should be converted into the RMB), and plus the customs duties and customs handling fees.

(8) Travel expenses incurred during the procurement of fixed assets should not be included in the original value of the fixed assets.

Chapter 3 Routine Management of Fixed Assets

Article 9 Management departments of fixed assets and their responsibilities:

The management of fixed assets is divided into value management and physical management, with units that involve in building, procurement, and use of fixed assets undertaking responsibilities of fixed asset management; fixed asset management involves the Department of Public Service Platform for Science and Technology , Department of General Affairs, Department of Finance and Assets (Department of Finance), Department of Science & Technology Development, and fixed asset user departments, with their respective responsibilities shown as follows:

(1) The Department of Public Service Platform for Science and Technology is responsible for organizing daily operation, maintenance and repair management of fixed assets of each scientific research department, the acceptance of scientific research equipment, and the technical appraisal of scrap disposal (including the reasonableness of borrowed equipment).

To ensure the effective use of fixed assets and properly dispose of the scrap fixed assets, SIAT has established a fixed asset disposal appraisal team under the Division of Auxiliary Platform whose responsibility is to appraise disposal of fixed assets technically and provide signed opinions.

(2) The Department of General Affairs is responsible for the daily management of fixed assets of supporting departments and research institute headquarters; the Department of Finance is responsible for the development of fixed asset management system, account management of fixed assets in the whole institute (including value appraisal for borrowed equipment), recording of fixed asset scrap disposal, and organizing the inventory of fixed assets in the whole institute.

(3) The Department of Science & Technology Development is responsible for developing the procurement plan of scientific research equipment, organizing the demonstration of the equipment procurement, approving the equipment procurement application, organizing the equipment bidding and procurement, as well as initiating procurement asset acceptance, developing book procurement plan and procurement books, leading the inventory of book.

(4) The user departments of fixed assets are the physical responsibility department for fixed assets, which should designate special persons to execute daily custody and maintenance of fixed assets, establish fixed asset use ledger, and assist the Division of Finance to complete fixed asset inventory.

Article 10 Fixed Asset Budget

The SIAT stringently control the budget of various fixed assets. According to the research and development plan of the SIAT, along with the actual needs of annual scientific research development, the Department of Science & Technology Development and the Department of Finance organize each unit to propose the annual fixed asset demands which will be prepared into plans through comprehensive considerations, and these plans will be included in the annual budget of the SIAT after review and approval. The allocation of fixed assets should be based on the principle of promoting the reasonable allocation of assets, effective use, and sharing of instruments and equipment, making full use of existing fixed assets and preventing overstock and waste.

Article 11 Fixed Asset procurement

The Department of Science & Technology Development handles procurement approval procedures according to the *Government Procurement Law of the People's Republic of China*, the *Tendering and Bidding Law of the People's Republic of China*, and the related system of fixed asset procurement formulated by the SIAT, and organizes centralized procurement; the asset applicant and the approver should be responsible for the physical identification.

Article 12 Acceptance and Stocking of Fixed Assets

After arrival of fixed assets, if the value is below 100,000 yuan, the user departments are responsible for the acceptance by themselves; if the value is between 100,000 yuan (inclusive) and 200,000 yuan (exclusive), each unit makes acceptance with the user department; if the value is above 200,000 yuan (inclusive), the Department of Public Service Platform for Science and Technology and each unit make acceptance in conjunction with the user department; for the value of office furniture is above 200,000 (inclusive), the Department of General Affairs makes acceptance in conjunction with the user department. When making acceptance, it is necessary to check the brand, manufacturer, specifications and models of the physical fixed assets with the corresponding records in the procurement application form, procurement contract, list of goods, etc. in a way of item by item. If the check items have no discrepancies, relevant personnel sign the equipment acceptance form and handle the acceptance and stocking procedure; otherwise, they should refuse to handle acceptance and stocking procedure; the

Department of Finance is entitled to refuse to payment to fixed assets without handling acceptance procedure.

For a few fixed assets stored outside the SIAT, The Department of Public Service Platform for Science and Technology or the Department of General Affairs and the user department should go to the storage unit together for handling acceptance and stocking procedures. If an acceptor cannot leave due to work, he or she can entrust somebody else to accept on behalf of each other, there should be no less than two persons for joint acceptance in principle. The storage unit should designate a special person to participate in the acceptance, and carry out daily custody and maintenance. The asset procurement personnel should handle the acceptance and stocking procedure for the fixed assets in the Asset Management System.

Article 13 Claim Fixed Assets

If the fixed assets is procured by entrusting the Department of Science & Technology Development, the asset recipient should handle the fixed asset claim procedure with the procurement application in the asset management system.

Article 14 Take Fixed Assets out of SIAT

If actual work needs to take relevant fixed assets out of the SIAT, approval of relevant unit leader and filling out of Application Form for Taking Fixed Assets out of Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences are required, the scientific research departments make record at the Department of Public Service Platform for Science and Technology, and the management support department and each research institute headquarters make record at the Department of General Affairs; the responsible person should be responsible for maintaining the security and integrity of the fixed assets, if the fixed assets are damaged or lost during the period of leaving the SIAT, compensation should be made according to the relevant regulations on fixed assets.

Article 15 Overall Allocation of Fixed Assets

To promote the reasonable allocation, saving and effective use of fixed assets, improve the efficiency and sharing rate of fixed assets, the overall allocation of fixed assets for scientific research should be the responsibility of the Department of Public Service Platform for Science and Technology in conjunction with each institute headquarter, while the Department of General Affairs is responsible for the overall allocation of fixed assets of the management support department.

Article 16 Inventory of Fixed Assets

Led by the Department of Finance, in conjunction with the Department of Public Service Platform for Science and Technology and the physical claim departments, the fixed assets inventory should be carried out at least once every year to ensure that the consistence of Accounts vs. Physicals, Accounts vs. Accounts, and Account vs. Statements.

For the problems found during the inventory, the cause should be identified, the situation should be explained by preparing the Fixed Assets Surplus and Loss Table and the Inventory Description to timely adjust the fixed assets account items, and investigate the responsibility of the relevant personnel.

The process of fixed assets inventory is as follows:

- (1) The Department of Finance develops the inventory plan which will be noticed each unit before inventory after approval by the principal of the unit;
- (2) Each unit should carry out self-inspection according to the fixed asset list issued by the Department of Finance in as per the plan, and carry out asset inventory in the asset management system or fill out the "Asset Inventory Form";
- (3) The Department of Finance organizes the fixed asset inventory, and identifies the cause and explains the situation to the problems found during the inventory;
- (4) The Department of Finance should compile the inventory differences and report such difference analysis results and handling opinions to the unit principal and the competent leadership of the SIAT for approval;
- (5) The Department of Finance should fulfill the procedures for disposal and approval according to the approval opinions of the competent leadership of the SIAT or the Institute Administrative Affairs Meeting;
- (6) The Department of Finance correspondingly processes the accounting in the financial system.

Article 17 The physical claim department should establish a receiving and return system for the fixed assets and articles provided for personal use, and urge the users to take good care of them who must handle asset return procedure at their handling institute before handling transfer or resignation procedure.

Article 18 In principle, the fixed assets of the unit should not be taken home. If it is necessary to take the relevant office equipment home due to work requirement, it shall be approved by the principal of each unit, and the user should bear the responsibility for maintaining the safety and integrity of such assets.

Article 19 Special assets must be stored in dedicated warehouses, dedicated sites or dedicated storage rooms, with the storage mode, method and quantity must meeting the national standards. Meanwhile, necessary security measure must be taken to prevent highly toxic chemicals, radioactive materials from being stolen, lost or misused.

Chapter 4 Depreciation Method for Fixed Assets

Article 20 Depreciation Method for Fixed Assets

Fixed assets are mainly depreciated by the average life method (i.e., the straight line method), and the net salvage value of all types of assets is 0.

Article 21 Depreciation Life of Fixed Assets

Houses and structures: General research, production and operation premises are 50 years, corroded research and production premises are 20 years, highly corroded research and production premises are 10 years, non-production premises are 35 years; ancillary facilities and structures are 8 years.

Dedicated equipment: General physical specialized equipment is 10 years, nuclear physical specialized equipment is 20 years, chemical specialized equipment is 5 years, biological specialized equipment is 10 years, astronomy specialized equipment is 30 years, geoscience specialized equipment is 10 years, technical science specialized equipment is 5 years, agricultural specialized equipment is 10 years, experimental platform is 5 years, special instruments for scientific research is 5 years.

Universal equipment: Mechanical equipment is 10 years, power equipment is 10 years, conductive equipment is 15 years, transportation equipment is 8 years, automatic control & instrumentation automation, semi-automatic control equipment is 5 years, computer is 5 years, instrument and other scientific research and production instrument is 8 years, TV, copying machine, word processor, or fax machine is 5 years, office furniture is 10 years.

Chapter 5 Disposal of Fixed Assets

Article 22 For disposal of fixed assets (including allocation, donation, transfer, scrap, loss, etc.), the asset user department initiates the asset disposal application in the asset management system. After appraisal by scrap appraisal team, approval by deputy director in charge and the director, being agreed at the Director Office Meeting, the Department of Finance reports to the Chinese Academy of Sciences for review and approval or recording. Any user department or individual has no right to dispose of its fixed assets (including free allocation (transfer), foreign donation, sale, assignment, transfer, replacement, scrap loss, investment loss write-off).

Approval Authority for Disposal of Fixed Assets:

(1) Approval authority of the SIAT:

Unit value or batch value (original book value, excluding houses and buildings) is less than 8 million yuan;

(2) Review and approval authority of Chinese Academy of Sciences and Ministry of Finance:

Unit value or batch value (original book value, excluding building) is from 8 million yuan (inclusive) to 15 million yuan, submit to Chinese Academy of Sciences for approval; above 15 million yuan (inclusive), submit to Ministry of Finance for approval after being reviewed by Chinese Academy of Sciences. Fixed asset should be transferred with compensation in principle. In case of transferring without compensation due to special reasons, the leader of institute in charge and the president can approve the transferring if the unit value is below 500,000 yuan, while the director of the institute can approve the transferring after discussion of the Director Office Meeting if the unit value above 500,000 yuan.

Article 23 Realized value incoming and salvage value income derived from fixed asset disposal should be timely turned over to the Central Treasury according to the provisions for the administration of government non-tax revenue and the administration of Treasury collection after deduction of related expenses, with the management of incoming and outgoing separated, and no one can retain, embezzle such incoming or set a private coffer.

Chapter 6 Responsibilities of Fixed Asset Administrator

Article 24 Each unit should designate one full-time or part-time fixed asset administrator according to the workload, who accepts the guidance and management of the Department of Finance in terms of asset management.

Article 25 Publicize and implement the laws and regulations of the State and the SIAT on the management of fixed assets, and formulate the necessary management rules according to the specific situation of his/her own unit.

Article 26 Acquire information about distribution, equipment level, technical status, usage, stock and quantity increase/decrease of fixed assets (including instruments and equipment, office furniture) of the unit as the review basis for the reasonable allocation, renewal and transformation of fixed assets of his/her own unit.

Article 27 Responsible for the acceptance, warehousing, claim and allocation of fixed assets in his/her own unit, as well as establish fixed assets ledger and daily supervision and management of accounts and materials.

Article 28 Responsible for the basic management affairs such as the inventory, registration, statistics and report for the fixed assets in his/her own unit, supervise the users to use, repair, maintenance and make use records according to the requirements, to ensure the life and use efficiency of fixed assets; responsible for strengthening the safety and security measures of fixed assets, with responsibilities involving fireproof, moisture-proof, dustproof, explosion-proof, rust-proof, mothproof, anti-theft, etc.

Article 29 Responsible for the management of the fixed asset labels in his/her own unit. If any damage or loss of the fixed asset labels is found, report in time, and the Department of Finance should handle it accordingly, and investigate the compensation liability of those who intentionally damage or lose the labels.

Article 30 Responsible for timely handling the relevant scrapping, loss, loss, transfer, handing over and other procedures, properly handle accounting and physicals to remain them consistent. Undertake corresponding liability for compensation according to the related system of the SIAT in case of any fixed asset loss due to individual liability.

Article 31 Regularly carry out physical inventory with the Department of Finance every year to assist in achieving consistency between accounts and physicals.

Article 32 Responsible for supervising and implementing the handover of fixed assets because of departing, transferring and retirement of personnel in his/her own unit.

Article 33 The fixed assets managed by a unit that is revoked, divided or merged should go through the procedures for asset changes according to the prescribed procedures. For those that cannot be received by the receiving unit should be temporarily sealed and stored by the superior unit.

Article 34 For the fixed assets that exceed the life cycle and have no use value or need to be disposed of for other special reasons, timely inform the principal of the unit and submit an application for disposal. Then disposed of the fixed assets according to the prescribed procedures.

Article 35 Provide assistance in the reasonable allocation and deployment of the fixed assets of the unit to fully improve the utilization rate and avoid resource waste. The problems found in the use and management of fixed assets should be timely reported to the relevant management departments.

Chapter 7 Management of Fixed Asset Administrator

Article 36 The designation of fixed asset administrator of each unit should be determined according to the jurisdiction scope. The fixed asset administrator has full power and responsibilities for the change, maintenance, integrity, safety and security of the fixed assets under his jurisdiction, and no leader or individual has the right to interfere with the correct exercise of power by the fixed asset administrator. In case of transferring or departing of fixed asset administrator, he/she should handle the handover procedures under the supervision of the Department of Finance and the unit principal.

Article 37 After the fixed asset administrator is determined, the fixed assets cannot be claimed until it is handled by the fixed asset administrator according to the procedure. However, the fixed asset administrator has no right to allocate or dispose of assets.

Article 38 The fixed asset administrator of each unit should be kept relatively stable in such position. In case of change due to work arrangement, the new designated fixed asset administrator should be approved by the principal of the unit and recorded by the Department of Finance.

Article 39 When the fixed asset administrator needs to be transferred from such original position due to job change, the handover should be supervised by the principal of the unit based on the principle of "the successor arrives before the predecessor leaves". Both fill out the *Fixed Asset Administrator Handover Form* after checking the accounts and physicals under the administration, and make a record at the Department of Finance. Those who do not go through the handover procedure should not leave their positions and they should be dealt with according to the relevant provisions in case of property losses. Those who have unexplainable problems in fixed asset handover cannot go through related procedures and should be punished and investigated legal liability according to the regulations.

Article 40 Carry out fixed asset checking and go through handover procedure if the unit changes its affiliation or nature, or is merged or dissolute. Before completing the handover procedure, the original user department must be responsible for the custody of such fixed assets.

Article 41 In addition to being led by the leader of his/her own unit, the fixed asset administrator should accept the supervision of the Department of Public Service Platform for Science and Technology and the Department of Finance in business.

Article 42 The work of the fixed asset administrator should be considered as part of the work of his/her existing position, which should be specified when designating the fixed asset administrator in this unit.

Chapter 8 Assessment of Fixed Asset Administrator

Article 43 The fixed asset administrator has the responsibility and obligation to manage the fixed assets. If during the management and use of fixed assets, the administrator commits one of the follows, the Department of Finance or the competent management department has the right to order he/she to correct, or replace such person and investigate the responsibility of him/her.

(1) Fail to complete the procedures for increasing/decreasing changes within the specified time;

(2) Fail to operate according to the regulations or allowing others to operate without authorization to result in adverse consequences;

(3) Fail to fulfill his/her responsibilities to be lax in fixed asset administration to result in serious consequences;

(4) Improperly administrate the fixed asset under his/her jurisdiction to result in asset loss;

(5) Lend, lease, transfer, or dispose of fixed assets without approval;

(6) Confuse in fixed asset administration, leading to inconsistency between accounts and physicals, and take no corresponding administration measures;

(7) Go through no related procedures to fixed assets purchased with approval;

(8) Do not truthfully register, fill in the accounts of fixed assets, and conceal the true situation;

(9) Transfer non-operational fixed assets into operational investment without authority;

(10) Refuse to accept the adjustment of idle fixed asset;

(11) Practise fraud, misappropriate fixed assets or taking advantage of power for personal gain;

(12) Demolish or modify fixed assets arbitrarily without permission.

Article 44 The Department of Finance will summarize the fixed asset administration of the whole institute once a year, by which the fixed asset administrators who are serious and responsible for their work and have outstanding achievements will be commended and rewarded according to relevant regulations.

Chapter 9 Liability

Article 45 The fixed asset management department and user departments along with their personnel have the obligation and responsibility to manage and make good use of state-owned assets to safeguard their safety, security and integrity according to the laws.

Article 46 In case of losses of fixed assets are caused by personal intentional or negligent liability, the amount of compensation and liability are as follows:

For laptop, camera, hard disk, camera, recording pen or other general scientific research & office equipment, if its amount is less than 10,000 yuan, compensation will be 100% of the net value, while if it is worth more than 10,000 yuan, compensation will be no less than 30% of the net value based on the severity of the case. In case of asset loss of abnormal consumption to various experimental research equipment, if the loss amount is below 50,000 yuan, the compensation should be no less than 30% - 50% of the net asset value according to the seriousness; if the loss amount is above 50,000 yuan, the compensation should be no less than 15% - 50% of the net asset value according to the seriousness, and no less than 50% to particularly egregious case. The compensation amount of the fixed assets that have exceeded the minimum life cycle should be evaluated and determined by the Department of Finance together with related departments or experts.

If the responsibility for the loss is ambiguous, the person in charge of the unit should bear the primary responsibility to assume more than 50% of the compensation amount, and the fixed asset administrator should be the first responsible person to assume the remainder of the compensation amount; If the responsibility for the loss is clear and the fixed asset administrator has handled the asset allocation procedures according to the process, the user of fixed asset should be the direct responsible person to assume 100% of the compensation amount.

Article 47 During management, if the fixed asset management department fails to fulfill their duties according to regulations to report or propose suggestions on serious loss of assets or damage and waste, and do not take corresponding management measures, or fails to act according to the relevant laws and regulations, abuse power to result in serious consequences, the SIAT

should order it to make rectification and investigate responsibilities of the principal in charge and the direct responsible person(s).

Article 48 If a user unit improperly manages its fixed assets to cause a major loss, or transfers and disposes of them, or uses them as operational investment, practises a fraud, misappropriates fixed assets for various purposes and seeks private gains by taking advantage of their power, the management department of fixed assets and the leaders of the institute have the right to order it to make rectification and investigate responsibilities of the principal of the user unit and the direct responsible person(s).

Article 49 Personnel who seriously violate these Regulations to cause a large loss of fixed assets, which constitutes a crime, should be prosecuted for their criminal liability by the judiciary authorities according to laws.

Chapter X Bylaw

Article 50 This system is interpreted by the finance department of the SIAT and is effective immediately upon promulgation. The original Management System of Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences on Fixed Assets (SYK ZI [2021] No. 53) should be repealed simultaneously. Matters not covered in these Measures should be implemented according to national laws, regulations, rules and normative documents, and relevant rules and regulations of the SIAT (Shenzhen Institute of Advanced Technology should apply these Measures).