

Asset Management Regulations

Established Sep. 15, 1989	Amended Mar. 1, 2007
Amended Apr. 18, 1989	Amended Jun. 1, 2011
Amended Dec. 19, 1994	Amended Jun. 8, 2016
Amended Oct. 15, 1997	Amended Jan. 1, 2018
Amended Jun. 1, 2001	
Amended Dec. 1, 2002	

Chapter 1 General Provisions

Article 1 (Purpose) These regulations seek to set forth matters concerning the acquisition, storage, use, and disposal of assets of the Pohang University of Science and Technology (hereinafter referred to as “University”).

Article 2 (Application Scope) ① These regulations shall apply to the management of assets of the University unless specified otherwise in other regulations.

② The scope of assets governed by these regulations is as follows:

1. Tangible Fixed Assets
 - A. Land (including landscape)
 - B. Building
 - C. Structure
 - D. Machines and Tools
 - ※ Built-in computer programs (S/W) are regarded as machines and tools. (Established June 1, 2011)
 - E. Furniture, Fixtures, or other Equipment
 - F. Delivery Equipment or Vehicles
 - G. Books
 - H. Assets under Construction (Amended March 1, 2007)
 - I. Authority (right to use/benefit/dispose of) over property acquired at no cost in part (Established June 1, 2011)
2. Intangible Fixed Assets (Goodwill, Patent Right, Intellectual Property Right, Development Cost, License, and Franchise) (Amended March 1, 2007)

Article 3 (Definitions) The terms used in these regulations are defined as follows:

1. “Management” refers to the efficient preservation, operation, acquisition, and disposal of assets. However, the acquisition and disposal in Article 2.2.1.A and B pertain only to clerical works for matters resolved by the Board of Directors.
2. “Assets” refer to Article 2.2.1.C to I.
3. “Classification of Assets” means the systematic division of assets based on a uniform standard and characteristic.
4. “Change of Asset Category” refers to the change of the original category of the assets to another category when necessary for the efficient use or management of assets.
5. “Change of Asset Use” pertains to the transfer of the right to use the asset between operating departments.
6. “General Management Department” refers to the department that generally manages assets including the acquisition, operation, and disposal of assets.
7. “Operating Department” refers to the department responsible for the use, benefit, preservation, operation, and management of assets acquisition and assets it holds. Provided, however, that departments exclusively in charge of specific assets of a specific kind are as follows:

(Amended on June 1, 2011)

Details of Assets	Department Name	Remarks
1. Land	Facilities Management	
2. Building	Facilities Management	
3. Structure	Facilities Management	

4. Machines and Tools -Ancillary Facilities of Building -Experiment and Research Equipment -Computer Equipment	Facilities Management Operating Department Information and Communication Services	Operating department for research equipment
5. Furniture, Fixtures, or other Equipment -AV Facilities and Auditorium -Gymnasium -Dormitory and Faculty Apartment -Official Residence and Training Institute -Student Club -Welfare Shop -Communication Facilities -Network Facilities -Lecture Rooms -Fixtures in the POSTECH International Center	General Affairs and Safety General Affairs and Safety Housing Services General Affairs and Safety Student Affairs Food Services Information and Communication Services Information and Communication Services Educational Affairs and Records General Affairs and Safety	
6. Vehicles	General Affairs and Safety	Operating department for research equipment
7. Books	Academic Information Resources	
8. Intangible Assets	Business Development	Patent right, intellectual property right, etc.

8. "Acquisition" involves securing the ownership of assets through construction, system, purchase, donation, exchange, and receipt, etc.
9. "Settlement of Account" refers to the substitute settlement of the account of corresponding assets by calculating the cost incurred directly or indirectly in the course of acquiring assets and the acquisition cost for each asset according to the fixed assets classification standard.
10. "Removal" means deduction from the books due to the disuse, sale, and damage/loss of assets, etc.
11. "Service Life" refers to the standard period of use for each asset classified under Article 2.2. The specific "Service Life" is as follows: (Amended on June 1, 2011)

Assets	Service Life
1. Tangible Fixed Assets	
A. Land	-
B. Building	40 years
C. Structures	20 years
D. Machines and Tools	5 years
E. Furniture, Fixtures, or other Equipment	5 years
F. Vehicles	5 years
G. Books	5 years
2. Intangible Assets	5 years

12. Notwithstanding the provisions of Clause 8, the case wherein the authority (to use/benefit/dispose of) over partial ownership is only given by the contract is also regarded as "acquisition." (Established June 1, 2011)

Chapter 2 Assets Management

Article 4 Deleted (March 1, 2007)

Article 5 (Asset Management Standard) ① The general management department shall set forth the management standard and procedure as follows for the efficient operation of assets:

1. Asset classification standard
2. The management of major assets and the standard of determining the fixed number of assets
3. Service life of assets

② The asset management standard for books shall be determined separately.

Article 6 (Division of Managing Department) ① The managing department of the assets will be divided into the general management department and the operations department. The operations department assumes overall responsibilities for the final management of each asset held. (Amended January 1, 2018)

② The Head of the operations department shall appoint the person in charge of asset operation and the person in charge of asset use for individual assets. However, note that, in principal, the assets of individual offices or laboratories shall be managed by the user.

Article 7 (Responsibility of the Managing Department) ① The Head of the managing department shall fulfill his/her duties in managing the assets with due diligence and good faith.

② The Head of the managing department shall bear fiscal liability in case he or she causes damage to the University by breaching the Asset Management Regulations in the course of carrying out his or her duties.

Article 8 (Asset Management Method) ① The general management department shall process the registration and licensing of the acquired assets as required for management and preservation and then transfer the assets to the operations department.

② The operations department shall maintain the acquired assets in usable condition at all times.

Article 9 (Recording of Management Ledger) ① The operations department shall register the acquired assets and manage the asset history card with changes in status.

② Deleted (March 1, 2007)

Article 10 (Classification of Assets and Time of Classification) Assets shall be classified at the time of classification in actual accounts, as follows:

1. For real estate, the alternative date or completion date (Amended on June 1, 2011)
2. For assets acquired through purchase, the date that the inspection of such assets is completed based on the delivery procedure of the University (for foreign investment, however, at the end of the settlement of account)
3. For assets acquired through replacement, the date the assets were delivered to the University and substituted for assets of the University (Amended on June 1, 2011)
4. For assets acquired through receipt, the date they were substituted for assets of the University pursuant to Article 15.1 (Amended on June 1, 2011)
5. Deleted (March 1, 2007)

Article 11 (Classification of Suspense Account) ① In principal, the following assets shall be classified as a suspense account:

1. Real estate under construction: Building under construction account, but it cannot be classified as a suspense account if the term is less than 1 month
2. Assets purchased in or outside the country and which require a long period of time from the advance payment of expenses to delivery: goods to arrive account

② Assets classified as a suspense account will be converted into actual account when the contract amount and incidental expenses are settled in full.

Article 12 (Classification and Conversion of Use) ① In case of a need to convert the classification or use of assets, the operations department shall record each of the following in detail, carry out the conversion, and notify the result to the general management department: (Amended on June 1, 2011)

1. Reason for Conversion
2. Classification, operations department, number, model, acquisition price, acquisition date, specification, and quantity of acquisition to change the classification of the asset
3. Operations departments mutually using the respective asset in question

② In order to convert the classification or use of assets, the person in charge of the conversion shall discuss this matter with the related operations department in advance.

Article 13 (Asset Processing Procedure) ① In any of the following cases, the operations department shall immediately notify the general management department accordingly to process the assets:

1. Acquisition, lease, transportation, conversion of use, manufacture, or remodeling of assets (note, however, that the changes shall be managed by the corresponding department for transportation within the department)
2. Incidence of damage/loss
3. Unusable or idle assets
4. Usage for purposes other than originally intended
5. Other reasons for change

② The general management department shall determine the processing method for Clause ① and notify the operations department.

③ The operations department shall implement the processing method as in Clause ② and notify the general management department of the result.

Article 14 (Insurance) The head of the general management department shall purchase insurance for major assets.

Article 15 (Management of Donations) ① The department responsible for donations management will register donations, substitute them for assets, and notify the operations department and the general management department. (Amended on June 1, 2011)

② The operations department shall manage the donation management ledger for the donated assets.

Article 16 (Standardization of Assets) The general management department shall standardize the specification and dimension of commonly used assets to increase the efficiency of asset management and maintain compatibility between operations departments.

Chapter 3 Acquisition

Article 17 (Supply and Demand Plan) The head of the operations department shall organize supply and demand plan of assets for each fiscal year and reflect the plan on the annual budget through discussions with the general management department. (Amended on March 1, 2007)

Article 18 (Claim) ① When assets are needed, the Head of the operations department shall secure the budget, record the model, dimension, quantity, period in which the asset is required, and the reason for acquisition in detail in the purchase request, and acquire the asset by requesting the Head of the department in charge of contracts for purchase or by paying for the cost in case of small-value assets. (Amended on June 1, 2011)

② For assets commonly supplied to the operations departments, the Head of the general management department shall request the Head of the department in charge of contracts for purchase according to the annual supply and demand plan.

Article 19 (Acquisition) ① The department in charge of contracts shall implement the measures required for the acquisition of the assets requested for purchase as per Article 18. If it is impossible to implement such measures for unavoidable reasons, however, the department shall immediately notify the person requesting for purchase accordingly.

② Until the building under construction account and goods to arrive account are classified into actual account, the department in charge of contracts shall maintain the record of the accounts in detail.

③ In principle, all assets shall be registered, managed, and operated by the operations department.

④ (Deleted)

⑤ Assets shall be registered by creating a history card on system. (Amended on March 1, 2007)

Article 20 (Time of Acquisition) The time of asset acquisition shall refer to the classification of assets and time of classification in Article 10, except in special cases.

Article 21 (Acquisition Price of Assets) The acquisition price of the assets are as follows:

1. Sum of the product cost, freight cost, taxes and utility charges, and other expenses for purchased assets
2. Sum of the material cost, labor cost, and other costs of the corresponding construction or production for constructed and manufactured assets
3. Sum of the mark-to-market value of the transferred assets and other expenses incurred in exchange for assets acquired through exchange
4. Amount received or assessed for assets acquired through receipt; when it is impossible to measure the market value of the donated assets, however, apply the memorandum value (1,000 KRW) (Amended on March 1, 2007)
5. The memorandum value (1,000 KRW) is applied to the authority (to use/benefit/dispose of) over partial ownership acquired gratuitously. (Amended on June 1, 2011)

Article 22 (Capital Outlay and Revenue Expenditure) The accounting shall appropriately divide the capital outlay and revenue expenditure according to each of the following to figure out the precise periodic profit and loss and financial condition:

1. The expense incurred during the full replacement, repair, and/or performance enhancement of the major components of the asset, or extension of service life of the asset shall be added to the corresponding asset's value as capital outlay.

2. Expenses incurred to maintain the current state of or recover the driving force of fixed assets are revenue expenditures and shall be processed as repair cost.

Article 23 (Registration of Acquired Assets) ① For assets such as land, building, vehicle, and industrial property for which the rights shall be secured, the staff member in charge of assets of the general management department shall register such assets and take the necessary actions to secure other rights at the time of acquisition in Article 20. When assets are disposed of or lost, the necessary actions such as cancellation of registration shall be taken at the time. (Amended on March 1, 2007)

② When taking measures in Clause ①, the person in charge of assets shall immediately notify the Head of the department in charge of accounting. (Amended on March 1, 2007)

③ Reflect machines and tools and furniture, fixtures, or other equipment on accounting only when the unit price of such fixed assets is 300,000 KRW or higher. (Established December 1, 2002)

Article 24 (Operation of Assets Out of Books) Among assets whose unit price is less than 300,000 KRW, those assets that merit continuous use or preservation considering their characteristics and function shall be designated as assets out of book. The operations department shall be responsible for the status of assets out of book. (Amended on June 1, 2011)

Chapter 4 Receipt and Disbursement

Article 25 (Warehousing) ① The operations department shall receive and warehouse the assets acquired in accordance with the provisions of Article 19 based on the goods inspection procedure. The major equipment management ledger shall be prepared if the acquisition value is 100 million KRW or more or for assets regarded as major assets by the Head of the general management department, and the record of inventory assets shall be maintained. (Amended on June 1, 2011)

② The operations department shall take any of the following actions immediately for assets acquired through delivery, etc.: (Amended on June 1, 2011)

1. Register the history card on system. (Amended on March 1, 2007)
2. Attach the barcode sticker. (Amended on March 1, 2007)

Article 26 Deleted (March 1, 2007)

Article 27 Deleted (March 1, 2007)

Article 28 (Transportation of Assets) ① When transporting University assets for repair, the operations department shall report to the Head of the corresponding department prior to processing and furnish the asset in/out the management ledger of the department. Note, however, that rules for the transfer of assets shall be determined separately. (Amended on June 1, 2011)

② The asset in/out management ledger in Clause ① shall include the following: (Amended on June 1, 2011)

1. Operations department, the staff member in charge of assets, reason for transportation of asset
2. Asset number, product name, acquisition price, acquisition date, outgoing date, and incoming date

Chapter 5 Lease Management

Article 29 (Lease of Asset) Assets can be leased according to any of the following procedures if deemed necessary to carry out University affairs:

1. The operations department shall collect the documents specified in Articles 30.1 and 30.3 from the prospective renter, review the necessity of lease, and make a request to the general management department for the lease contract by obtaining the approval of the person with discretionary approval authority designated by the Regulations on Discretionary Approval Authority. (Amended on March 1, 2007)
2. When the general management department receives a lease application, it shall calculate the contract deposit and rent for the corresponding asset in accordance with Article 32 and conduct overall procedures such as licensing. Note, however, that separate rules may apply for short leases approved by the President.

Article 30 (Documents for Lease Contracts) The operations department shall prepare the following documents for lease contracts:

1. Official document requesting for the asset lease contract (Amended on March 1, 2007)
2. Plans for the operation of lease business (management policy, etc.) (Amended on March 1, 2007)
3. Materials to be reviewed such as the resident company's business proposal, etc. (Amended on March 1, 2007)

4. Blueprint of the building (Amended on March 1, 2007)

Article 31 (Conditions of the Lease) The lease contract shall specify each of the following:

1. Prohibition on use for other purposes
2. Prohibition on sublease and modification of original layout
3. Bearing of the preservation and management cost for leased assets
4. Terms and conditions for return of leased assets when required by the University
5. Other matters

Article 32 (Contract Deposit and Rent) ① The contract deposit shall be at least 10/100 of the corresponding asset value. Note, however, that the President may allow special exceptions.

② The value of leased assets shall be determined based on the acquisition price and the market price.

③ In principle, the lease is provided at cost, and the annual rent shall be 10/100 of the value of leased assets. Note, however, that the President may allow special exceptions. Rent for a period less than a month is calculated on a daily basis. (Amended on June 1, 2011)

Article 33 (Special Exception for Support and Welfare Facilities) Notwithstanding the foregoing articles, the management and operation of the University's facilities can be entrusted under each of the following cases (in this case, the right to manage and use is provided at no cost as a rule):

1. If the entrustment involves constructing the University's facilities
2. If the entrustment is required for a goods supply and technical service contract
3. If the operation of welfare facilities is entrusted
4. If the President acknowledges the need

Chapter 6 Inventory and Adjustment

Article 34 (Inventory) ① Inventory is divided into periodic inventory and special inventory.

② Periodic inventory is conducted by the general management department each year, and special inventory is conducted when the Head of the general management department acknowledges the need for such. (Amended on June 1, 2011) (Amended January 1, 2018)

Article 35 (Inventory Plan) ① The general management department shall establish an investigation plan for each asset and notify the operations department when conducting the inventory inspection in accordance with Article 34. (Amended on June 1, 2011) (Amended January 1, 2018)

② The operations department shall conduct an internal inventory based on the inventory inspection plan of the general management department and notify the general management department accordingly. (Amended on June 1, 2011) (Amended January 1, 2018)

③ The inventory shall be conducted by the staff member in charge of assets of the operations department. (Amended on June 1, 2011)

Article 36 (Inventory Method) ① The operations department shall keep the assets in kind in optimum state and submit the result of inventory inspection to the general management department each year. (Amended on June 1, 2011)

② The general management department shall perform sample inspection based on the result of inventory inspection conducted by the operations department. (Amended on June 1, 2011)

③ If necessary, the general management department shall perform sample inspection in the presence of the Head of the operations department and the staff member in charge of assets. (Amended on June 1, 2011)

Article 37 (Report on Inventory) The inventory investigator of the operations department shall prepare the report on inventory after the investigation and submit to the Head of the general management department, who in turn shall report in accordance with the internal report guide by summarizing the following: (Amended on June 1, 2011)

1. Status of unusable assets
2. Status of damaged/lost assets
3. Changes in status, etc.

Article 38 (Adjustments for Increase and Decrease in the Number of Assets) ① In case of increase or decrease in the number of assets due to the result of the inventory inspection, the adjustment shall be made only when such increase or decrease was caused by an error in clerical work or equivalent reason.

② If there is a clear reason that the adjustment of increase or decrease as in Clause ① is not possible, or in case there are discrepancies between the actual quantity of the assets and the book value, such assets shall be processed as damage/loss pursuant to the internal rules for unusable asset and damage/loss instead of making the adjustment.

Article 39 Deleted (March 1, 2007)

Chapter 7 Processing Damage/Loss

Article 40 (Report on Damage/Loss) Refer to the separate Detailed Implementing Rules for Asset Management Regulations for the processing of unusable assets and damage/loss.

Chapter 8 Disposal

Article 41 (Accounting of Disposed Assets) The difference between the asset value and the disposal cost shall be appropriated into the assets profit/loss account.

Chapter 9 Settlement of Accounts and Preservation of Records

Article 42 (Account Settlement Method) ① The settlement of accounts shall be divided into monthly and annual settlements pursuant to the accounting regulations; the monthly settlement shall be based on the amount of each asset account, and the annual settlement shall attach the list of assets to the amount of each asset account.

② Out of book assets shall be processed according to Clause ①, and the balance sheet shall be prepared separately.

Article 43 (Bookkeeping Records) (Deleted on June 1, 2011)

Chapter 10 Affairs Related to the Research Institute of Industrial Science & Technology

Article 44 (Management Limit) ① Refer to the separate agreement on the management and operation of the University's fixed assets installed at the Research Institute of Industrial Science & Technology.

② The Head of the general management department shall separately manage the finances of the University's fixed assets installed at the Research Institute of Industrial Science & Technology.

Chapter 11 Assets Management Committee

Article 45 (Deleted)

Article 46 (Deleted)

Article 47 (Deleted)

Article 48 (Deleted)

Addenda

1. These regulations shall be established and shall be effective on September 15, 1988.
2. Regulations related to the central warehouse shall be reserved pending the completion of the central warehouse.
3. These regulations shall be established and shall be effective on April 18, 1989.

Addenda

1. These regulations are amended on December 19, 1994 and shall be applied retroactively on November 11, 1994.
2. Note, however, that the amendment wherein Pohang College of Engineering, the Dean, the Planning Department and the Welfare Department are changed to Pohang University of Science and Technology, the President, Office of

Planning, and the Facility Management respectively shall be deemed to amended and effective as of March 1, 1994.

Addendum

These regulations are amended on October 15, 1997 and shall be retroactively implemented as of October 1, 1997.

Addendum

These amended regulations shall take effect on June 1, 2001.

Addendum

These amended regulations shall take effect on December 1, 2002.

Addendum

These amended regulations shall take effect on March 1, 2007.

Addendum

These amended regulations shall take effect on June 1, 2011.

Addendum

These amended regulations shall take effect on June 8, 2016.

Addendum

These amended regulations shall take effect on January 1, 2018.