



Angelo State University Operating Policy and Procedure

OP 14.12: Inventory of Property and Equipment

DATE: September 18, 2014

PURPOSE: The purpose of this OP is to define the scope of property management at Angelo State University and to outline the purchasing and sponsored programs requirements pertaining to real and personal property.

REVIEW: This OP will be reviewed in June every five years, or as needed, by the property manager and the executive director of materials management with recommended revisions forwarded through the vice president for finance and administration to the president by July 15 of the same year.

POLICY/PROCEDURE

1. Background

- a. **Requirements.** As a state-supported educational institution, Angelo State University must meet the requirements of the state Purchasing and General Services Act (Texas Government Code § 403.271 [a] and [b]) with regard to personal property, and the Texas Capital Trust Fund (Texas Government Code § 403.271 [a] and [b] and § 2201.002) relating to real property. These requirements apply regardless of funding source.
- b. **Compliance with State Regulations.** As required by statute, inventory procedures for the university are governed by regulations issued from the State Comptroller. University policies regarding Accountability and Responsibility for State Property are provided in the SPA Policy and Procedures Manual issued by the State Comptroller's Office.
- c. **Pecuniary Liability.** When university property disappears as a result of the negligence of the university employee entrusted with the property's safekeeping, V.T.C.A., Government Code § 403.275, states that such person shall be pecuniarily liable to the State for the loss sustained.

2. Definitions

- a. **Personal Property.** All non-consumable property having an acquisition cost of \$5,000 or more, or any property of the state of Texas, which, because of the nature of the asset, is required to be managed by the state.
- b. **Real Property.** Land, land improvements, buildings, and building improvements.

- c. **Controlled Property.** Property listed below that costs between \$500 to \$ 4,999.99 as:
- | | |
|---------------------|--------------------------------|
| (1) Data projectors | (5) Tablets & handheld devices |
| (2) Stereo systems | (6) Portable CPU laptops |
| (3) Cameras | (7) Video recorders/laserdisc |
| (4) Desktop CPUs | players (TV, VCR, camcorder) |
- All weapons must be reported, regardless of cost.
- d. **Property Custodian.** Each department head is designated as the property custodian for specific items of personal property and will have responsibility to manage, control, and account for those items within his/her department.
- e. **Property Manager.** The designated university representative to the comptroller of public accounts for all university assets and systems office assets.
- f. **Sponsored Projects.** Any project funded from a source outside the university (e.g., grants, contracts, etc.)
- g. **Surplus Property.** Any personal property that is in excess of the needs of any state agency and that is not required for its foreseeable need. Surplus property may be new or used but must have additional useful life. For surplus property guidelines, see OP 14.14 Disposal of Surplus and Obsolete Property.

3. Responsibility

- a. Under the General Services Act as mentioned above, it is the responsibility of the property manager to account to the comptroller of public accounts (CPA) for all personal property.
- b. Each department head at Angelo State University shall be responsible, through authorized channels, for all university property under his/her control.

4. Procedures

- a. **Transfers.** Departments that have property that is no longer useful to them must send an email to all other departments to offer transferring tagged property at no charge by completing the Request for Equipment Transfer (Attachment). If property is not transferred internally, departments should refer to OP 14.14.
- b. **Use of Equipment Off-Campus.** In the event tagged property is removed from university property to an employee's personal residence or other location to accomplish university work, the custodian must keep track of the property and note the location on the annual physical inventory report.
- c. **Fabrication of Property.** There are times when equipment that is needed for a project is not available or when the equipment that is needed can be constructed for less than the cost to purchase the equipment. This practice is referred to as fabrication of equipment. Prior approval by email from the property manager is required.

- d. Cannibalization of Property. In some instances, cannibalization of obsolete equipment may be allowed. Requests to cannibalize property should be submitted on the Request for Equipment Transfer form. Prior approval by the property manager is required.
- e. Trade-in of Equipment and Vehicles. Equipment and vehicles may be used as a trade-in toward the purchase of new property. The department must note on the requisition to purchase new property the tag number and description of the trade-in.
- f. Donated Vehicles. Per operating policy 32.01, Acceptance of Gifts and Grants, the university does not accept donated vehicles.
- g. Stolen or Missing Property. It is the responsibility of each custodian to notify the University Police Office and to inform the property manager immediately in writing of any property known or believed to be stolen. A copy of the police report must be sent to the property manager in order to delete the property from the physical inventory. Missing tagged property may be deleted from the physical inventory only after that property is not found for a minimum of two physical inventories from the date it was determined that the property was missing.
- h. Reporting to State Comptroller's Office and Office of Attorney General. When there is reasonable cause to believe that state property has been lost, destroyed, or damaged through the negligence or fault of any state official or employee, the loss, destruction, or damage shall be reported immediately to the state auditor and the attorney general, as required by Texas Government Code § 403.271 (b). The attorney general may elect to investigate the matter and, if the investigation discloses that the state has sustained an injury through the fault of a state official or employee, the attorney general shall make written demand upon such state official or employee for reimbursement to the state for the loss so sustained.

5. Equipment Purchased from Sponsored Projects Funds

Upon accepting a grant, cooperative agreement, or contract, ASU becomes bound by the sponsor's property management regulations. ASU recognizes that there may be conflicts between sponsor regulations and state law. Determination of applicability is based upon the source of funds used in the purchase of an item.

Obtaining Approval to Purchase Equipment for Federally Sponsored Projects

- a. Authority to Procure. Before making procurement, principal investigators and other project administrators of federally sponsored projects are required to:
 - (1) Have authority to purchase or rent equipment on a project;
 - (2) If required by the terms and conditions of a sponsored agreement, a search should be conducted to determine if a suitable item of equipment is already on campus and available for use or a certificate of non-availability should be obtained.
- b. Timely Procurement. It is ASU policy that equipment for a federally sponsored project be purchased within the first six months of the project. It is the principal investigator's responsibility to monitor timely procurement and allocability of equipment.

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- c. Administrative Procedures. When principal investigators and other project administrators wish to purchase equipment covered by this OP, the following actions are required:
 - (1) For purchases of \$5,000 or more, the principal investigator of the grant must request prior approval from the Office of Sponsored Projects (OSP) and attach approval to an online requisition.
 - (2) For purchases under \$5,000, the principal investigator is responsible for ensuring authorization to purchase equipment according to the sponsored agreement.
- d. Procurement Action
 - (1) The Purchasing Office will process purchase requests approved by the OSP in accordance with the above procedures, Texas Government Code, Chapter 2155, and the Regents' Rules.
 - (2) Property Management will tag equipment purchased using Federally Sponsored Project Funds.

6. Title to Equipment

- a. Title
 - (1) Title to purchased equipment vests in ASU and the state of Texas. Equipment purchased with sponsored project funds is also subject to sponsor regulations regarding title.
 - (2) Title to transferred equipment vests in ASU and the state of Texas unless the former owner notifies the university in writing of other arrangements or conditions.
 - (3) The OSP will advise the property manager where title vests, as part of their review of property requisition purchased under sponsored projects.
 - (4) Title to loaned equipment does not vest in ASU and the state of Texas.
 - (5) Title to donated equipment vests in ASU and the state of Texas by virtue of the fact that ASU is a Texas state agency.
 - (6) The presumption in all cases is that title vests in ASU and the state of Texas unless explicitly stated otherwise by an authoritative source.
- b. Disposition
 - (1) If title vests in ASU and the state of Texas and there are no sponsor (donor) regulations or advice pertaining to disposition of property, the item may be declared surplus and disposed of in accordance with OP 14.14.
 - (2) If title vests in ASU and the state of Texas and there are sponsor (donor) regulations or advice pertaining to disposition of property:

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- (a) The item may be disposed of in accordance with sponsor (donor) regulations or advice, provided ASU and the state of Texas are reimbursed at fair market value in proportion to the percentage of ASU/state participation in the acquisition cost.
 - (b) The item may be declared surplus and disposed of in accordance with OP 14.14.
- (3) ASU and the state of Texas have no control over loaned equipment other than stewardship responsibilities to protect such property from loss, damage, or unauthorized use. Disposition is completely at the discretion of the owner.

7. Annual Physical Inventory

- a. The property manager is responsible for having the actual physical inventory of each department reviewed once a year. The property manager will forward to the department heads/custodians a detailed listing of the property and equipment carried on the property manager's records for the department. Any discrepancies should be noted on the detailed lists.
- b. A completed receipt for custody of university property and equipment and one copy of the detailed property list shall be returned to the property manager by April 15 of each year. Doing so will allow the property manager time to certify the inventory with the State of Texas within the designated deadline.
- c. Each department head is responsible for seeing that an accurate annual inventory is conducted of all property assigned to his/her department in accordance with written instructions issued each spring by the property manager.

8. Special Physical Inventory

- a. Prior to termination of employment, any employee who has completed a receipt for custody of university property and equipment must submit to the property manager a physical inventory of property and equipment covered by such receipt. All employees who accept responsibility for university property and equipment must submit to the property manager a physical inventory and receipt for custody of university property and equipment within 30 days after accepting responsibility for the position.
- b. When there is a change in department heads, a complete departmental property inventory shall be taken to verify that all equipment and materials are accounted for and to determine future accountability for university property assigned to that department. The appropriate dean or vice president is responsible for notifying the property manager of any change in department heads.
- c. All departments that have missing property reported during the annual physical inventory are subject to additional audits.
- d. Any discrepancies in departmental property inventory shall be reported immediately by the department head to the property manager through the appropriate vice president. The appropriate dean or vice president is responsible for notifying the property manager of any change in department heads.

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9. Private Use Prohibited

Property that the university owns should not be used for personal purposes.

Attachment: [*Request for Equipment Transfer*](#)