

## Property Liability

**Original Implementation:** April 22, 2003

**Last Revision:** January 31, 2017

In accordance with Texas Government Code § 403.275 all university employees are liable for the state property that they use. All employees must complete the property liability acknowledgement form at new employee orientation.

The department head will be listed as equipment manager on property records and is responsible for identifying property custodians who have been entrusted with the care and safekeeping of specific pieces of property. Equipment managers will be required to sign a certification of physical inventory with change in department head, accepting responsibility for all department property within 30 days of assuming their duties.

Employees taking equipment off campus will be required to complete a removal of property from campus form.

A person is financially liable for any property loss sustained by the university if:

1. property disappears as a result of the failure of the head of an agency, property manager, or agency employee entrusted with the property to exercise reasonable care for its safekeeping;
2. property deteriorates as a result of the failure of the head of an agency, property manager, or agency employee entrusted with the property to exercise reasonable care to maintain and service the property; or
3. property is damaged or destroyed as a result of an intentional wrongful act or of a negligent act of any state official or employee.

Reasonable care is defined as follows. Examples are outlined in the property management manual.

1. Steps have been taken to ensure control of property.
2. Steps have been taken to ensure the security of property.
3. Property can be located anytime it is requested.
4. Documentation is available showing that the person responsible for property is aware of their responsibilities.

If the property manager has reasonable cause to believe that any property in the agency's possession has been stolen, lost, destroyed, or damaged through the negligence of any state official or employee, the property manager shall report the loss, destruction, or damage to audit services, the vice president for the division, the vice president for finance and administration, the director of procurement, the equipment manager and the property custodian. All computer

losses, missing or stolen, regardless of negligence, will be reported to the director of ITS.

The property manager in consultation with the equipment manager, the director of procurement and/or the vice president of finance and administration will determine whether replacement of property or reimbursement of property value best meets the needs of the university. The value of the loss to the university will be determined by considering the value of the property and the value to SFA as outlined in the property management manual.

A determination of negligence may be appealed to the property risk management committee within five working days of receiving notification of the determination. The property risk management committee will review the property manager's determination and the written appeal, and will make a final determination that may not be appealed. Appointments to the committee will be made on a case by case basis by the vice president for finance and administration with the property manager and property assistant serving as non-voting ex officio members.

If the property risk management committee upholds the determination of negligence the negligent employee will be notified to replace the property or reimburse the university for the determined value of the property. If the employee refuses or disregards the determination and request for replacement or reimbursement, the university may pursue action against the employee through the Office of the Attorney General or employ other efforts to obtain reimbursement.

**Cross Reference:** Tex. Gov't Code §§ 403.275, 2203.004; Property Inventory and Management (17.14)

**Responsible for Implementation:** Vice President for Finance and Administration

**Contact for Revision:** Director of Procurement and Property Services/HUB Coordinator

**Forms:** Property Liability Acknowledgement; Removal of Property from Campus Request

**Board Committee Assignment:** Finance and Audit