

STEPHEN F. AUSTIN
STATE UNIVERSITY

Office of the General Counsel

POLICY SUMMARY FORM

Policy Name: Property and Inventory Management

Policy Number: 17.14

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 11/2/2015

Unit(s) Responsible for Policy Implementation: Vice President for Finance and Administration

Purpose of Policy (what does it do): This policy exists to provide guidance for the handling of property.

Reason for the addition, revision, or deletion (check all that apply):

☒ Scheduled Review ☐ Change in law ☐ Response to audit finding

☐ Internal Review ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: Minor wording, reference and form changes.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Kay Johnson, Director of Property and Procurement Services
Danny Gallant, Vice President for Finance and Administration
Damon Derrick, General Counsel

Property Inventory and Management

Original Implementation: September 28, 1996

Last Revision: ~~November 2, 2015~~ October 29, 2018

Purpose

This policy affirms that Stephen F. Austin State University will comply with Texas Government Code § 403.2715, university policies, and procedures outlined in the property management manual. Property acquired under federal or state grants and contracts will be identified and maintained according to the same guidelines as the university's centralized property management and control described herein, except as otherwise stipulated by the grant.

Definitions

Property is defined and will be accounted for in accordance with Texas Government Code § 403.272. The property manager, in conjunction with the director of procurement, and with appropriate administrative approval may define additional equipment to be tracked in property records. Property can be purchased or donated.

Salvage property is any personal property which through use, time, or accident is so depleted, worn out, damaged, consumed, or outdated that it is obsolete and/or can no longer serve the purpose for which it was originally intended.

Surplus property is any personal property that is in excess of the needs of the department and which is not required for the foreseeable future. Surplus property may be new or used but must have additional useful life.

Stolen property is any personal property that has disappeared by known theft, whether by forced removal, burglary, theft by employee, or other criminal act.

Missing property is any personal property that has disappeared with no explanation.

The **equipment manager** for a department is the chair or administrative head of the department.

A **designee** may be named by the equipment manager to receive and submit property communications on his/her behalf. The designee does not assume property responsibility or liability in lieu of the equipment manager but may sign property documents on behalf of the equipment manager: *with the exception of the Annual Property Inventory Audit Certification form.*

The **property custodian** is any employee who is listed on property records as entrusted with the care and safekeeping of specific pieces of property, and is liable for any university property assigned to him/her.

General

The president has delegated to the director of procurement and property services and the property manager responsibility for the overall management of university property, maintenance and control of centralized property records, and disposition of surplus and salvage property.

An equipment manager may not delegate their responsibilities and is ultimately liable for any property listed on his/her department property records. The equipment manager is responsible to assign property to the property custodian who uses and/or is entrusted with property on a daily/regular basis. If the equipment manager fails to assign property to a property custodian, the property manager will contact the department and assign custodial responsibility to the employee who uses and/or is entrusted with property on a daily/regular basis. The equipment manager is responsible to notify the property manager of any donations to determine if the property must be added to property records.

The property custodian is responsible for locating all equipment for which he/she is responsible during the annual property audit, spot-check audit, or audits by audit services or state auditors. All employees are required to sign the property liability acknowledgement form advising that he/she may be entrusted with university property. The property liability acknowledgement described in Property Liability (16.22) advises the employee that he/she will be held financially responsible for any property determined to be damaged, destroyed, missing, or stolen due to employee negligence, regardless of whether the employee is identified as a property custodian on property records.

Property Validation

Each equipment manager and property custodian is to exercise care and control over the property for which he/she is responsible. Property is to be monitored on a perpetual basis both by the property office and by university employees.

Once per year a property inventory audit will be conducted in one of two ways: 1) physical count by the department, or 2) ~~bar code~~ **RFID**-scan by the property office. ~~An official property report and~~ *The signed Annual Property Inventory Audit Certification form* ~~and certification~~ must be returned to the property manager by the deadline stated in the ~~annual~~ property inventory instructions. ~~Reports-Forms~~ in campus mail will not be considered received.

Departments failing to return the ~~official property report~~ *signed Annual Property Inventory Audit Certification form* ~~and certification~~ to the property manager by 5:00 p.m. on the deadline date will be given a ~~2nd~~ *second* deadline and will have all ordering, including p-cards, shut down until the ~~official property report~~ *signed form* ~~and certification~~ *are* received in the property manager's office. ~~Reports-Forms~~ in campus mail will not be considered received.

Failure to return the ~~official property report and certification~~ *signed Annual Property Inventory*

Audit Certification form to the property manager by 5:00 p.m. on the 2nd deadline will result in all ordering continuing to be shut down until the official property report and certification signed form is received in the property manager's office. In addition, department information, including, but not limited to, department name, department head, and property values will be reported to the Board of Regents at the next regularly scheduled meeting. Reports Forms in campus mail will not be considered received.

~~Departments must complete an annual computer inventory to facilitate the purchase of campus-wide software licenses and annual analysis of computers for the university computer replacement plan. Also~~ Spot-check audits will be conducted by property personnel throughout the year except during the annual property inventory. Transaction information for all additions and deletions to each department's property records will be emailed monthly to the equipment manager and his/her designee, along with a request to update location and custodian information.

Employees are to advise the property office throughout the year of the following changes:

- Equipment Manager - procedures apply to both outgoing and incoming department heads (interim or permanent); information regarding the change must be completed within 30 days of assuming or relinquishing duties.
- Property Custodian - procedures apply at any time there is a change in the employee who uses and/or is entrusted with property on a daily/regular basis. The Change in Property Custodian form must be completed within 30 days of the change.
- Property locations should be updated in a timely manner. Property custodians must be able to identify property locations at any point in time.

Departments may be required to write a detailed plan for monitoring and accounting for department property. A template for the plan will be provided by the property manager *and can be found on the Procurement and Property Services website.*

Use of State Property

In accordance with Texas Government Code § 2203.004, university property may be used only for state/university purposes. University property in the custody of any Stephen F. Austin State University employee may not be loaned, sold, traded, thrown away, cannibalized, or disposed of in any manner without the prior authorization of the property manager.

University property may be taken off campus only for official business of the university or another state agency. The individual taking equipment off campus assumes financial responsibility and must complete a ~~R~~emoval of ~~P~~roperty from ~~C~~ampus form *annually*.

Items containing potentially sensitive, private, or confidential information are not to be stored in any leased premises unless specifically authorized in writing by the ~~p~~President. These items include but are not limited to computers, electronic or digital storage devices, and paper documents. Certain off-campus facilities may lack the security necessary to protect such sensitive information.

University property may be loaned to another state agency or institution of higher education. The president must approve the loan of the property in writing and receipt of the property must be acknowledged in writing by the head of the borrowing agency.

Training

Mandatory training is required for all equipment managers, designees, and property custodians. After initial training, refresher training is required every two (2) years. All training is documented in the university's myTraining system.

Failure to complete training within 30 days of notification (equipment manager, designee, or property custodian) will result in having the individual's p-card inactivated. Failure to complete training within 60 days of notification will result in all ordering for the department, including p-cards, being shut down until the employee completes training.

The property manager may extend the training timeframes for employees on FMLA leave, out of the country, or as otherwise deemed appropriate and approved by the director of procurement and property services/HUB coordinator.

Salvage and Surplus Property

Salvage property may be discarded or retained for cannibalization of parts, but should be identified for deletion from property records with appropriate documentation and property manager approval. Data processing equipment can never be declared salvage.

Surplus property may be traded in, transferred to another department or transferred to surplus with appropriate documentation.

Property Disposal

University property is to be disposed of as described in the property management manual, with the exception that disposition of property acquired through federal or state grants and contracts must respect the terms of the grant or contract under which it was acquired. The property manager will determine the disposal option that complies with Texas Government Code § 2175.304 and § 2175.905 and best meets the needs of the university.

All property sales, including scrap metal, are to be overseen by the property office. All sale proceeds will be deposited to the surplus sales account, unless otherwise approved by the vice president for finance and administration.

Where possible hard drives (“loose”, internal or external), memory cards from printers or scanners, or copiers must have all data removed before final disposal of the property. Memory cards from printers or scanners will be destroyed by the property ~~manager~~office. Hard drives will be degaussed, destroyed, or overwritten and the disposal will be documented. Procurement will work with departments to document that data stored on copiers is removed before a copier leaves the campus.

Stolen or Missing Property

Stolen or missing property must be reported immediately to the property manager. A missing or stolen property report must be completed within 24 hours of reporting the *missing or stolen* property. The property office will make a determination of negligence on the part of the equipment manager and/or property custodian, or any other employee; see Property Liability (16.22). Failure to report stolen property to the property manager and/or university police immediately may result in a determination of negligence.

Fines and other requirements will be imposed for missing property.

The department will be fined as follows:

- \$1,000 – for two items ~~valued at~~*with an original purchase cost* of \$500 or more each, reported missing in the same fiscal year;
- \$2,500 – for three to five items ~~of~~*with any value* ~~original purchase cost~~ reported missing in the same fiscal year;
- \$5,000 – for more than five items ~~of~~*with any value* ~~original purchase cost~~ reported missing in the same fiscal year;
- in the following fiscal year if additional property is reported missing the above fines will double
- if missing property is found within 30 days of the fine’s being assessed, the ~~value~~*original purchase cost* of the equipment will be refunded up to a maximum of \$500 per item, but never exceeding the amount of the original fine.

Within 30 days of notification of a fine, all employees identified by the property office will be required to complete property training. The employees identified may include equipment manager, designee, property custodian, or any other employee. Failure to complete the training within 30 days of notification will result in all ordering (requisition and p-card) being shut down for the entire department until the training is completed by all identified employees. Extensions of the 30-day limit may be made by the property manager as deemed appropriate and approved by the director of procurement and property services.

Within 60 days of notification of a fine, the equipment manager will be required to prepare a detailed department property control plan using the template provided by the property office. Failure to complete the plan within 60 days of notification will result in all ordering (requisition and p-card) being shut down for the entire department until the plan is received.

Any appropriations withheld from the university *because it has due to exceeded* the allowed value threshold of missing property, as defined in the General Appropriations Act, will be deducted from the budget of the department responsible for the property.

Individual Employee Negligence

In accordance with Texas Government Code § 403.275 all university employees are liable for the State of Texas property that they use. A determination of negligence will result in one or more employees being held liable to replace property or reimburse the university *for* the determined value of property. See Property Liability (16.22) and the property management manual for definitions and requirements associated with negligence.

Cross Reference: Tex. Gov't Code §§ 403.2715, 403.272, 403.273(h), 403.275; Tex. Gov't Code § 2054.003(3)(A); Tex. Gov't Code §§ 2175.304, .905, .908; Tex. Gov't Code § 2203.004; Department of Information Resources Security Control Standards Catalog; Property Liability (16.22); *State Comptroller eXpendit*

Responsible for Implementation: Vice President for Finance and Administration

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

Forms: Annual Property Inventory Audit Certification (provided ~~with Annual Property~~ by the *Property Office Inventory Packet*), Certification of Physical Inventory with Change In Equipment Manager (Department Head), ~~(ITS Forms Server)~~, Department Property Control Plan Template, ~~(ITS Forms Server)~~, Missing, Damaged or Stolen Property Report ~~(ITS Forms Server)~~, Police Report (*available-provided* from University Police Department), Change in Property Custodian ~~(ITS Forms Server)~~, Property Liability Acknowledgement (HR), Property Transfer Form – Department to Department ~~(ITS Forms Server)~~, Property Transfer Form – Department to Surplus ~~(ITS Forms Server)~~, Removal of Property from Campus Request ~~(ITS Forms Server)~~, Salvage Property Request ~~(ITS Forms Server)~~

Board Committee Assignment: Finance and Audit