Purpose and Scope

The State of Texas has a substantial investment in the acquisition and preservation of personal property in the possession of UTD, and as such, requires the management of this property in a proficient, businesslike manner to provide maximum benefits to the user.

The Texas Comptroller of Public Accounts has responsibility for the accounting of all personal property owned by state agencies and institutions. The Comptroller requires that state agencies and institutions comply with the provision for personal property accounting as detailed in the Texas Government Code, Chapter 403, Subchapter L. Consequently, U. T. Dallas manages its personal property in accordance with Texas Government Code, Chapter 403, and the Regents' Rules and Regulations.

This law basically states that UTD is responsible for the custody, care and maintenance of all University property, and will maintain detailed personal property inventory records in the manner prescribed by the Comptroller. In addition, each agency or institution must conduct an annual physical inventory of all personal property in its possession, and submit the results of the inventory within forty-five (45) days of completion, in the manner prescribed by the Comptroller.

The Vice President for Administration is the UTD Property Manager and acts through the Property Administrator in this capacity. Subsequently, each department head is responsible for the proper custody, maintenance and safekeeping of UTD property assigned to his/her department. The department head or his/her appointee can act as departmental property manager; however, liability for the property rests with the department head. The name of the designated departmental property manager, along with any changes in responsibility, should be forwarded in writing to the Property Administrator. Departmental property managers may contact the Property Administrator with any questions regarding property management.

Inventories - Purpose and Scope

Purpose and Scope

State law requires that a physical inventory of all UTD personal property be conducted once each fiscal year. Such property includes capital assets, $5,000.00 per single unit and an estimated useful life of more than one year, debt-financed personal property and controlled
assets as defined by the State Comptroller, i.e., assets that qualify as personal property which do not meet the capitalization threshold but must be tracked due to the nature of the item.

A physical inventory is also required when a department moves to a new campus location. This inventory process is vital in maintaining accountability by providing the Property Administration Office with new locations for equipment which must be tracked. UTD administration considers furniture and furnishings as part of the building area in which they are located and, therefore, these items may not be removed without the written approval of the Vice President for Administration.

Each department head acts as the custodial authority for the personal property within his/her allocated space and is responsible for the stewardship and maintenance of UTD property. It is important that accurate property control records be maintained, not only at the University level, but also at the departmental level so that periodic audits at the local, state and federal levels may be accomplished without embarrassment to the University or custodial property managers.

**Annual Inventories**

Once during each fiscal year, on the date prescribed by the State Comptroller, a state agency shall make a complete physical inventory of all property in its possession. The Property Administrator will send each custodial account property manager an inventory packet consisting of the following documents:

1. [http://dox.utdallas.edu/form1273|Cover Letter (Exhibit F15)]
2. [http://dox.utdallas.edu/form1274|Inventory Listings (Exhibit F16)]
4. [http://dox.utdallas.edu/form1276|Interdepartmental Transfer/Release of Equipment Form (Exhibit F18)]
5. [http://dox.utdallas.edu/form1277|Inventory Receipt (Exhibit F19)]
6. [http://dox.utdallas.edu/form1390|Missing or Stolen Report for State Departments, Institutions, and Agencies (Exhibit F20)]
7. [http://dox.utdallas.edu/form1293|University Property Custody Receipt and Instructions for Completion (Exhibit F21)]

The annual 2) Official inventory is processed in two phases: 1) Unofficial or "working phase" and or "verification phase."

**Unofficial or "Working" Phase**

Upon receipt of the inventory packet, each custodial account property manager is required to conduct a physical inventory of all personal property within his/her area using the methods described in the cover letter of the inventory packet. This is the unofficial or "working" copy of the inventory. The custodial account property manager must provide a written confirmation of
each asset's location or identify the asset as missing. The custodial account property manager must complete and return the appropriate documents, listed above, to the Property Administrator within thirty (30) days after receipt of the inventory packet. The forms referenced above are self-explanatory; however, if questions arise regarding their use, contact the Property Administrator.

Note: Failure to provide written confirmation of the location of each asset will place the asset(s) in missing status. (See "Missing/Stolen Equipment", Section F15-130.1, for procedures on reporting missing equipment.)

Official or "Verification" Phase

Upon receipt of the completed "unofficial" inventory, the Property Administration Office will update the existing asset records. After the updates have been completed, the Property Administration Office will forward a second, or "official" inventory packet to the division or program head. It is requested that the custodial property manager compare the "official" to the "unofficial" report. This follow-up phase of the inventory process allows the custodial account property manager to verify that all updates have been made and to identify any additional changes which may be necessary. After the custodial property manager has reviewed the "official" inventory, he/she must return the official inventory documents to the Property Administrator.

Notes:

1. It is not necessary to perform two physical searches. The physical search is performed during the first phase of the process.
2. The official inventory report results are reported to the State Property Accounting System.
3. To increase departmental internal controls over fixed assets and to reduce the time required to complete the annual inventory, departments are encouraged to relinquish obsolete equipment to Property Administration for surplus disposal. Surplus items are removed from the department’s custodial authority and transferred to a surplus holding account.

Inventories Required Upon Campus Relocation

When a department or office is preparing to relocate to a different campus area, the departmental custodial account property manager must inform the Property Administrator of all changes involving the personal property charged to his/her custodial property account. In addition, if a department wishes to move furniture and furnishings to the new location, prior approval must be granted by the Vice President for Administration.

I. Leaving an Old Location

Prior to moving from an assigned space to a newly assigned area, the custodial account property manager must conduct a physical inventory of the furniture,
furnishings, and equipment in the space to be vacated no sooner than one (1) week prior to the move, and the following action must be taken:

A. Report Equipment to Be Moved to the New Location

The custodial property manager must forward a report to the Property Administrator listing all personal property to be moved from the old location to the new location. To accomplish this, contact the Property Administrator to obtain an inventory listing for the custodial authority, then apply the new locations and return the report to Property Administration for processing.

B. Report Equipment to Be Abandoned or Left in Place

The custodial property manager must forward a report to the Property Administrator listing all equipment that is to be abandoned or left in place by (1) completing the "relinquishing department" section of the Interdepartmental Transfer/Release of Equipment form and (2) placing an "X" in the "transferred to the above-referenced receiving department" section of the form. [http://dox.utdallas.edu/form1276](http://dox.utdallas.edu/form1276)(Exhibit F18)] Abandoned equipment will be maintained on the abandoning department's custodial property account until a new owner can be established. When the property is transferred to a new owner, the Property Administrator will have the new owner verify the accuracy of the listing and complete the "receiving department" section of the transfer/release form. Upon receipt of the completed Interdepartmental Transfer/Release of Equipment form, the Property Administrator shall make the necessary adjustments to both custodial property accounts.

C. Report Equipment to Be Retired to Surplus

The custodial property manager must forward a report to the Property Administrator listing all equipment that is to be considered excess to the department's needs by completing the "relinquishing section" of the Interdepartmental Transfer/Release of Equipment form and by placing an "X" in the "released to Property Administration as surplus/salvage property" section of the form. In addition to completing this form, the custodial property account manager must submit a Physical Plant Work Request form to arrange for removal of the surplus equipment. Once the completed Interdepartmental Transfer/Release of Equipment form and the referenced equipment is received by the Property Administrator, he will verify the document for accuracy, document any discrepancies, then sign the "receiving" section of the form and make the necessary adjustments to both the custodial property and the surplus/salvage equipment accounts. A copy of the completed form will be forwarded to the relinquishing department for their inventory records. It is important to note that departments are not allowed to discard damaged or cannibalized equipment. Damaged equipment, or the remains of cannibalized items, must be sent to the surplus storage facility along with the appropriate documentation.
Note: When relinquishing computer equipment to surplus, the custodial property manager should ensure that all software (both operating system and applications) is deleted from the computer equipment. This process will eliminate the possibility of recirculating unlicensed software products and sensitive information (copyright infringement, federally protected records, etc.). [http://dox.utdallas.edu/form1279](http://dox.utdallas.edu/form1279)(Exhibit F22.)

II. Occupying a New Location

Prior to moving into a newly assigned area, the custodial account property manager must conduct a physical inventory of all furniture, furnishings and equipment within the space to be occupied. The account property manager must forward a report of this equipment to the Property Administrator by memorandum. Upon receipt of this report, the Property Administrator will cross-reference this report with the Interdepartmental Transfer/Release of Equipment forms which have been forwarded by the department(s) abandoning the space and submit the appropriate Interdepartmental Transfer/Release of Equipment form for completion by the "receiving department," i.e., department occupying the new location. Once the completed form is received by the Property Administrator, he will adjust both custodial property accounts accordingly.

III. Causes for Changes in Inventory Listings

The Property Administration Office must receive a source document signed by the individual with signature authority for the custodial account when a request for transfer or deletion of assets is made. The correspondence must include the tag reference number and description, the reason for deletion, and the current physical location of the asset (for verification purposes).

Possible causes for removal or additions to a departmental inventory include, but are not limited to, the following categories:

- Transfer of Equipment Between Departments
- Missing Equipment
- Stolen Equipment
- Cannibalized Equipment
- Damaged Equipment Retired to Surplus
- Equipment Returned to Vendor
- Equipment Trade-ins
- Missing Equipment Eligible for Deletion
- Equipment Transferred to Surplus/Salvage
- Equipment Transferred to Another State Agency
- Federally-Owned Equipment Transferred to Another Grant/Contract
- Federally-Owned Equipment Abandoned-in-Place
- Federally-Owned Surplus/Salvage Equipment
- State Property Accounting Non-Reportable Assets
Movement of Furniture, Furnishings and Equipment

I. From One Campus Location to Another

Generally, space is to be provided with a "basic set" of furniture and furnishings thought to be appropriate for a given function. This "basic set" is permanently assigned to a room or area of the building in which it is located. However, for accountability purposes, these items may be posted against the custodial property account that is occupying this area. No furniture or furnishings may be moved from one location to another without the written authorization of the Vice President for Administration. Equipment such as typewriters, calculators and other general office equipment constitute the exception to this policy and may be moved at the discretion of the custodial account manager; however, the custodial account property manager must notify the Property Administrator in order to update the University’s fixed asset records.

II. Within an Allocated Departmental Area

Within an area assigned to a custodial property account, furniture, furnishings and equipment may be moved at the discretion of the department or administrative head. The custodial property manager must ensure that adequate internal controls exist at the departmental level to monitor this activity. Such movement should be minimized and, in any case, must be reported to the Property Administrator by memorandum. This movement must be reported so that periodic audits at the local, state and federal level may be accomplished without embarrassment to the departmental or administrative head with whom final responsibility rests.

III. Property Loaned to Another Department

If a department wishes to loan equipment to another department, the lending department must notify the Property Administration Office of the change in location by memorandum. This correspondence should include the anticipated dates of the loan. Upon return of the equipment, the lending department should provide Property Administration with an update of the location of the item(s). The custodial property manager must ensure that adequate internal controls exist at the departmental level to monitor this activity.

IV. Off-Campus Equipment

If a faculty or staff member's job duties require the use of state-owned equipment at an off-campus site, the removal and documentation of the removal must be coordinated through the Property Administrator's Office. Equipment to be used off campus must be used for official University-related functions only. The faculty or staff member must complete and submit a University Property Custody Receipt form to the Property Administration Office. A copy of the form with instructions for completion of the form can be obtained by contacting the Property Administration Office. Departmental property managers must inform the Property Administration Office when equipment is returned from off-campus sites by completing the "Property Custody Return Receipt"
section of the form and submitting the original to the Property Administrator. In addition, a new form must be submitted each fiscal year if the property is to remain off campus. The required distribution is listed at the bottom of the form.

V. Equipment Returned to Vendor

Any equipment that is to be returned to the vendor must be coordinated through the Central Receiving Department. The individual responsible for returning the merchandise must complete and submit a Return to Vendor/Shipping Request form with the equipment to be returned. These forms can be obtained by contacting the Central Stores Department. The UTD inventory number must be recorded on this form, if applicable. If questions arise regarding this type of transaction, contact the Central Receiving Department.

VI. Trade-Ins of Equipment (Existing Fixed Assets)

Any equipment that is to be traded in against the purchase of new equipment must be coordinated through the Purchasing, Property Administration, and Central Receiving Departments. The requisitioning department must include detailed information on the requisition addressing the item that is to be traded in (UTD number, description, manufacturer's model, serial numbers and trade-in allowance). This information will allow the Purchasing Department to record this transaction against the purchase order on which the trade allowance will be granted. In addition, this process will provide the Property Administration Office with the information necessary to value the newly acquired asset, as well as to provide documentation for the removal of the traded asset from both the University's and State's records. If applicable, the requisitioner should contact the Central Receiving Department to arrange for the shipment of the outgoing merchandise.

Equipment Transfers

Equipment may be transferred to other departments by completing the Interdepartmental Transfer/Release of Equipment form which is included in the annual inventory packet. Additional copies can be obtained by contacting the Property Administration Office. Accountability for the asset(s) will rest with the transferring department until both the relinquishing and receiving department directors or department heads acknowledge the transaction by mutual agreement, (i.e., signature), and by marking the requested transaction in the space provided. Once completed, the original form is forwarded from the receiving department to the Property Administration Office for processing. This procedure is necessary to document equipment movement and to ensure that current inventory control records are maintained.

I. Equipment Retired to Surplus

Reference the procedures outlined in subtopic: Annual Inventories, Item 1. Leaving an Old Location, Section C.
II. Interagency Transfers of Equipment

State agencies may transfer personal property to other state agencies with or without reimbursement. Transfers of this type must be coordinated through the Property Administration Office to allow for proper documentation of this transaction at both the University and State levels. Accountability for the property rests with the transferring agency until all required documentation and procedures have been applied and the receiving agency acknowledges receipt of the property through the State Property Accounting System.

Stolen/Missing Equipment

Stolen Property

If it is determined that property assigned to a custodial property account has been stolen, the departmental property manager must immediately notify the University Police. The custodial property manager should be prepared to provide the investigating officer with as much detail as possible; i.e., UTD inventory numbers, dates, times, names, etc., for the Police Department's investigative report(s). The custodial property manager must also contact the Property Administration Office to obtain a copy of the Missing or Stolen Property Report for State Departments, Institutions and Agencies form. The custodial property manager must complete and forward the original document to the Property Administration Office. The University Police Department must submit a copy of the investigative document(s) to the Property Administration Office. Upon receipt of all the above-referenced documentation, the Property Administrator will submit this information to the Senior Vice President for Administration. The Senior Vice President for Administration will make a recommendation as to whether or not the person(s) charged with the care and custody of the property was (were) negligent according to guidelines maintained in the Texas Government Code Ann., Section 403.276 (a) and (b), and forward the original documentation to the Property Administrator. After the Property Administrator has received the paperwork, he will notify the Offices of the State Comptroller, the State Auditor and the State Attorney General. The asset(s) will remain on the custodial property account until deletion approval has been granted by the State Auditor's Office.

Missing Property

If it is determined that the property assigned to a custodial account is missing, the departmental property manager must contact the Property Administration Office to obtain a copy of the Missing or Stolen Property Report for State Departments, Institution and Agencies form. The custodial property manager must complete and forward the original to the Property Administration Office. The missing property report must include the following information:

1. All pertinent property identification information,
2. The circumstances surrounding the loss,
3. The search criteria and additional efforts to recover the loss, and
4. Internal controls measures that have been installed/modified to minimize exposure.
Upon receipt of the documentation, the Property Administrator will update the University's records to reflect the missing status of the asset and notify the State Comptroller's Office electronically. Through this process, the record is set aside until the property is found or the criteria for deletion (three physical inventory periods and/or three calendar years from the time the item is coded as missing with the State Property Accounting System) is met. The Property Administration Office will apply expanded search criteria and monitor all inventory-related procedures and correspondence in an effort to locate the item(s). Property meeting this criteria will be deleted from the University's records after the State Auditor's approval has been granted.

**Disposal of State-Owned Personal Property**

See Section E, Pages E2-230.0 through E2-230.0.3 of this Manual for procedures regarding the sale of state-owned surplus/salvage property. All other forms of disposal must be coordinated through the Property Administration Office.

**Sale of Surplus Personal Property to UTD Employees**

The sale of surplus/salvage property to UTD employees may be completed only in accordance with Regents' Rules and Regulations.

**Property Held in Trust**

Purpose: The purpose of this statement is to document the policy and procedures regarding the acquisition of, accounting for and administration of equipment held in the University's trust.

The Texas Comptroller of Public Accounts is responsible for the administration of the State's Personal Property Accounting System (See *Texas Government Code*, Section 403.271 (b).)

The State Property Accounting System (SPA) defines trust property as "Assets held by an agency on behalf of a non state entity (see examples listed below) and which are under the temporary control of the agency." (See SPA Policy and Procedures manual.)

The State Property Accounting System's policy regarding trust equipment states that "all trust property must be reported on an agency's personal property accounting system, using the reporting format prescribed by the comptroller."

Examples of equipment held in trust include, but are not limited to:

- art collections owned by families, estates and others
- government furnished equipment (government owned/contractor held).

Trust equipment is subject to the Comptroller's State Property Accounting System reporting criteria as authorized under the Texas Government Code Ann., Sec. 403.271(b), (Vernon Supp., 1997) and is recorded in UTD's fixed asset subsidiary system in accordance with SPA policy. This includes equipment purchased with federal funds which must adhere to the
requirements of FAR45, OMB Circular A-110 or the Department of Defense Manual 4161.2-M, dated 12/91.

Trust equipment is also subject to the University's policies detailed in this manual on pages F15-100.0 through F15-130.3.

Policy Links

- Permalink for this policy: http://policy.utdallas.edu/utdbp3066
- Link to PDF version: http://policy.utdallas.edu/pdf/utdbp3066
- Link to printable version: http://policy.utdallas.edu/print/utdbp3066