Responsibilities, Inventories, Reporting and Tracking of University Property

Responsible Officer: Vice President for Business Affairs and Controller
Sponsoring Department: Property Management
Revision Date: 22 June 2015
Errors or changes to: aim@uta.edu

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PROCEDURE OBJECTIVE

Procedure 2-43 provides procedural guidelines for using and safekeeping university property in accordance with applicable laws and rules. This procedure describes the various responsibilities of university officials and employees and acquaints all university personnel with current state laws and university rules, regulations and procedures to be followed in using and safeguarding university property. Moreover, this procedure states that university employees may only use the property for state purposes and must exercise reasonable care over the property. To help maintain and protect university property, this procedure documents the purpose and method of taking an annual inventory, issuing reports for Government-owned property and how to track capital and controlled assets via UT Share.

RATIONALE

The use of university property must be in accordance with current State laws and university rules, regulations and procedures. Texas State Government Code Chapter 403.271, Property Accounting, establishes the current guidelines for property accounting and responsibility. University property is State property and may be used for official purposes only. In accordance with state law, the University must complete a physical inventory of all capital and controlled...
assets in its possession at least once a year. The University utilizes "best practices" for receiving, assigning asset number, inventory tracking and reporting. Reports are needed because various government agencies require periodic reports of Government-owned equipment in the University's possession. To help keep track of capital and controlled assets, university departments need to use UT Share to update location of assets.

SCOPE

All university employees and departments who use and/or are in possession of university property.

WEBSITE ADDRESS FOR THIS PROCEDURE

http://www.uta.edu/policy/procedure/2-43

RELATED STATUTES, POLICIES, REQUIREMENTS OR STANDARDS

<table>
<thead>
<tr>
<th>UT System Administration Policies and Standards</th>
<th>Other Policies and Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas State Government Code, Chapter 403, Section 403.272 to 403.278</td>
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</tr>
</tbody>
</table>

CONTACTS

If you have any questions about this procedure, contact the following departments:

<table>
<thead>
<tr>
<th>Subject</th>
<th>Office Name</th>
<th>Telephone Number</th>
<th>Email/URL</th>
</tr>
</thead>
</table>
| All topics in Procedure | Property Management | 817-272-2191 | property_management@uta.edu
|                     |                  |                  | https://www.uta.edu/business-affairs/property-management |
| Website access   | Administrative Information Management | 817-272-0222 | aim@uta.edu
|                     |                  |                  | http://www.uta.edu/aim |

DEFINITIONS

**Personal Property:** Any possession of the State of Texas having sufficient value to warrant inclusion in the fixed asset portion of financial reports or due to the nature of the asset that is required to have management controls placed upon it. Personal property does not include consumable items nor does it include real property such as land or buildings, improvements to land or buildings, or infrastructure.

**Capital Assets:** A capital asset is a possession that meets the above personal property criteria and that has a single unit value of $5,000 or greater and an estimated useful life of more than one year. (This dollar threshold was established by the Texas Legislature, and became effective September 1, 2001).
**Controlled Assets:** As defined by the State Comptroller, assets that qualify as personal property but do not meet the capitalization threshold and that must be secured and tracked due to the nature of the item. Below is a list of controlled items:

**Controlled Property:**

<table>
<thead>
<tr>
<th>Object Codes</th>
<th>Class Code</th>
<th>Property Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>1837</td>
<td>106</td>
<td>Hand Guns</td>
</tr>
<tr>
<td>1837</td>
<td>107</td>
<td>Rifles, Machine Guns, Shotguns</td>
</tr>
<tr>
<td>1847</td>
<td>204</td>
<td>Desktop CPU - not Apple</td>
</tr>
<tr>
<td>1847</td>
<td>214</td>
<td>Desktop CPU - Apple</td>
</tr>
<tr>
<td>1847</td>
<td>284</td>
<td>Portable CPU/Laptops; not Apple</td>
</tr>
<tr>
<td>1847</td>
<td>294</td>
<td>Portable Apple CPU/Laptops</td>
</tr>
</tbody>
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<td>1837</td>
<td>218</td>
<td>Data Projectors</td>
</tr>
<tr>
<td>1837</td>
<td>129</td>
<td>Stereo Systems</td>
</tr>
<tr>
<td>1837</td>
<td>130</td>
<td>Cameras, Video Cameras</td>
</tr>
<tr>
<td>1837</td>
<td>131</td>
<td>TV/VCR/Camcorders/Laserdisk Players</td>
</tr>
</tbody>
</table>

**Annual Physical Inventory:** A complete physical inventory of all capital and controlled assets in the possession of departments, centers, and designated university offices must be taken at least once a year.

**Missing:** Equipment that has been stolen or lost.

**Equipment:** A tangible asset that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a contract. Equipment is not intended for sale, and does not ordinarily lose its identity or become a component part of another article when put into use.

**Departmental High Risk Assets:** The controlled assets listed above with a value of less than $500.00. These assets should be tagged with a departmental tag and a listing of the assets should be maintained in the department.

**Equipment Held in Trust:** As defined by the State Comptroller, assets held by an agency on behalf of a non-state entity and which are under the temporary control of the agency.

**RESPONSIBILITIES**
President of The University of Texas at Arlington

- Has ultimate responsibility for property in possession of the University

Vice President for Business Affairs and Controller/Property Manager

- Serves as the University's Property Manager
- Coordinates through the Property Management Office the annual physical inventory of all capital and controlled assets in the University's possession

Department Heads

- See to the day-to-day care and accountability of university-owned property within their departments
- Complete an annual physical inventory
- Ensure that university property is used for official purposes only

Property Management Office

- Assures that the state requirements and university procedures are followed for property in possession of the University
- Provides instructions to each department outlining the procedures to be used to conduct the annual inventory

University Employees

- Use state equipment only for state purposes and exercise reasonable care for its safekeeping
- Use the exact inventory book value of an item on forms and in correspondence when requiring the inventory value

PROCEDURES

Section I. Rules and Regulations

Rules and regulations concerning property of the state may be found in the following location:

Texas Government Code, Chapter 403.271 through 403.278

Each Session of the Texas Legislature may change any of the rules and regulations concerning asset management.
The Property Management Office at the University of Texas at Arlington manages the accountability and responsibility for state property according to the provisions of state law and the Board of Regent's *Rules and Regulations*.

**Section II. Responsibility for University Property**

The President of The University of Texas at Arlington is ultimately responsible for property in possession of the University. The Vice President for Business Affairs and Controller has been designated as the Property Manager. Responsibility for the day-to-day care and accountability of property has been delegated to the department heads. They are responsible for maintaining appropriate records, for completing an annual physical inventory of university property assigned to their departments and for ensuring that university property is used for official purposes only. The Property Management Office at The University of Texas at Arlington is responsible for assuring that the state requirements and university procedures are followed.

Each state employee is responsible for using state equipment only for state purposes and to exercise reasonable care for its safekeeping. The term "reasonable care" means that, at a minimum, steps are taken to maintain the asset in an acceptable manner, ensure the security of an asset, ensure that an asset can be located at any time requested, and ensure that the person responsible for the asset is known. At no time should state property be used for personal gain.

**Section III. Penalty for Excessive Lost Property**

The University may be penalized for excessive lost property as outlined in General Appropriations Act, Article IX, Section 12.04 Lost Property states:

"The Controller shall withhold from the General Revenue Funds, General Revenue-Dedicated Funds, or Other Funds appropriated to the state agency or institution of higher education by this Act an amount equal to 50 percent of the value of the lost property originally purchased with those funds provided that the loss falls outside the standards promulgated by the American Society for Testing and Materials. If a state agency or institution of higher education subsequently recovers or accounts for lost property to the satisfaction of the Comptroller, the Comptroller shall release to the state agency or institution of higher education a proportional amount of previously withheld General Revenue Funds, General Revenue-Dedicated Funds, or Other Funds."

The State of Texas will run reports for the prior year, and then continue on a quarterly basis. If the amount of missing/stolen assets is greater than 2 percent of the total net book value, then 50 percent of the value greater than the 2 percent threshold will be withheld from the University's general revenue funds. One exception to this rule is for firearms: all lost firearms are subject to withholding of 50 percent of their net book value.
Section IV. Tagging of Equipment and Inventory Carrying Values

A. Tagging of Equipment: As property items are acquired, they are tagged with a uniquely numbered property tag. This tag will include the statement "Property of UT Arlington." It is the University's procedure to affix a property tag to the property after it has been received and inspected by Property Management. For property that is delivered to the department without an inventory tag, the Property Management Office must be notified. The Property Management Office will assign an inventory number and tag the equipment in the department. If an item cannot be tagged due to the nature (size, use, material, etc.) of the item, the inventory tag will be retained in the department's inventory file for verification. The University may elect to use a tag that states the asset is the Property of US Government and be assigned an inventory number using the same procedure for assigning and affixing all other assets.

B. Inventory Carrying Values: The acquisition cost, or inventory book value, of a property item remains the same as long as the item is carried on the university inventory. The acquisition cost includes all shipping and installation charges required to get the equipment to its usable state. Department personnel should always use the exact inventory book value of an item on forms and in correspondence requiring the inventory value.

Section V. Inventories (General) and Annual Inventory

A. Inventories (General): Physical inventories are required annually. The University will employ best practices to decide the date and time to conduct the inventory process which may include an entire fiscal year process that concludes at the end of each fiscal year. An annual inventory of all U.S. Government owned equipment would be performed in conjunction with the annual inventory of university owned equipment. A combined listing of both university and U.S. Government owned equipment would be sent to each dean, chairman, or department head of all equipment assigned to their department. It is the responsibility of the departments to conduct the annual inventory, certify and sign that the inventory was performed and return the certification to the Property Management (PM) office. Any adjustment to the U.S. Government-owned inventory will not be made without approval from the ONRRO or cognizant Property Administrator. For information regarding inventory reports of Government-owned equipment see Section VI. Reports in this procedure.

B. Annual Inventory: In accordance with State law (Texas Government Code Chapter 403, Section 403.273) a complete physical inventory of all capital and controlled assets in the possession of departments, centers, and designated University offices must be taken at least once a year. The Property Manager coordinates this process through the PM Office. When completed, the Property Manager must forward a signed Certification of Physical Inventory Conducted by Agency form to the State Comptroller.

1. The time frame for each department's inventory is established by the Property Manager through the PM Office. In accordance with requirements, the PM Office will provide instructions to each department outlining the procedures to be used to conduct the annual inventory.
2. Training is available, if needed, during the physical inventory. For more information about training for the physical inventory please contact the PM Office at (817) 272-2191.

3. For information on how to track capital and controlled assets assigned to university departments in UT Share, please see Section VII. UTShare Inventory in this procedure.

Section VI. Reports

A. Various Government agencies require periodic inventory reports of Government-owned equipment or updated cost information. These reports are normally prepared and submitted by the Federal Equipment Administrator, Office of Accounting. They are based on data from the property records and information provided by the departments.

B. Grants and Contracts have specific inventory reporting requirements that vary by sponsor. Most federally funded grants follow the property requirements in OMB A-110, Section 33.32(a).

Section VII. UT Share Inventory

The UT Share Inventory is used by university departments to track capital and controlled assets assigned to their department's care.

A. User Authorization: All departments have access to UT Share. Update authorization is necessary to change official records. For authorization to UT Share, contact the UT Share Education department at ext. 2-2138 or utshare@uta.edu.

B. Building and Room Number Location Maintenance: Building and room numbers can be updated using UT Share. A listing of university buildings and their numbers may be found at this site. Locations of assets should be updated as items are located during the annual inventory and as items are relocated during the year.

FORMS AND TOOLS/ONLINE PROCESSES

- Inventory Transaction Form (Form 2-45)
- Removal of Equipment from University Campus (Form 2-47)

APPENDICES

None