



# Procedure BF-PM-PR2 Acquisition, Receipt and Distribution of University Property

Dates Effective: October 22, 2019

Responsible Officer: Associate Vice President and Controller

Sponsoring Department: Business Services

Errors or changes to: Office of Legal Affairs

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## Objective

This procedure sets forth the procedures and requirements to be followed when assets are acquired by departments at the University of Texas at Arlington (the "University"). In acquiring property, the University is required to be in compliance with applicable state laws and rules, as well as with University of Texas System rules and policies, at all times. This procedure addresses the acquisition of property by purchase, internal and external transfers, fabrication and construction, and donation, as well as pursuant to non-governmental grants and contracts. Procedures pertaining to notification of acquisitions, sequence of events, responsibility of stakeholders, the documentation of acquisitions, and the appraisal of acquired assets, are all covered in this fiscal procedure.

## Rationale

Because the University is a publicly funded institution of higher education, all property acquired by the University is property rightfully belonging to the State of Texas. Accordingly, Texas Government Code §403.2715(c) requires, "At all times, the property records of a university system or institution of higher education must accurately reflect the personal property possessed by the system or institution". Government Code §403.273(h) further provides the University could be subject to review by state auditors at any time "to determine if controls are adequate to safeguard state property." Finally, Government Code §403.275 provides the University or individual University personnel could be liable for the loss or damage of property that is not properly safeguarded. It states, "The liability prescribed by this section may attach on a joint and several bases to more than one person in a



particular instance. A person is pecuniarily liable for the loss sustained by the state if: (1) agency 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) agency 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) agency property is damaged or destroyed as a result of an intentional wrongful act or of a negligent act of any state official or employee.”

Most University property is purchased. However, assets may also be acquired by virtue of lease-purchase arrangements, fabrication or construction in a department, donation as a gift, or transfer from internal or external parties. Property can also be acquired pursuant to non-governmental grants and contracts. Regardless of source or means of acquisition, the University is accountable to the government and people of the State of Texas for maintaining strict controls on the tracking and reporting of all property acquired by the University and ensuring the University is in compliance with state law, as well as with UT System rules and requirements, at all times. It is highly important to the University as a whole that these procedural controls be followed by all University personnel. Current and future federal, state and private funding of the University, as well as public perception and the reputation of the University in general could ultimately be affected by the University’s safeguarding and tracking of property acquired by the University. The procedures regarding the acquisition of University property are set out below.

## Scope

This procedure applies to all University personnel who acquire, possess, control, or track University property, including property acquired pursuant to a non-government grant or contract, by donation, or by fabrication or construction.

## Procedures

### Responsibilities

#### Property Manager

Ensures required property records are maintained and serves as the designated custodian of all property possessed by the University.

#### Department Head

- Primarily responsible for the care and safeguarding of all University property assigned to, possessed or in use by their respective departments.

- Primarily responsible for ensuring inventory contacts and all department staff abide by the requirements of these procedures.
- Makes recommendations for the acquisition of University property, and makes recommendations and negotiates purchase terms that are in the best interest of the University.
- Approves Forms BF-PM-F1 and other forms necessary for the acquisition of University property.
- Approves gifts-in-kind and/or donations to his or her department.
- Responsible for ensuring gifts-in-kind are not appraised by department staff and that department staff do not participate in the transfer of a gift-in-kind in which the gift value is inflated above its true fair market value.

### Accounting Services

- Responsible for notifying Distribution Services of the purchase of capital assets by University departments.

### Office of Development

- Notifies Inventory Services and Distribution Services of all gifts and donations of capital and controlled assets received or to be received by the University.

### Inventory Services

- Serves as a resource for University staff who are responsible for ensuring all departmental assets regardless of acquisition source or type, are properly tagged.
- Responsible for receipt and processing of Forms BF-PM-F1, BF-PM-F7, BF-PM-F8, BF-PM-F2, BF-PGS-F6, BF-PGS-F9 and other inventory-related forms, reconciliation of information received from University departments, and maintenance of data and information in UT Share.
- Receives completed forms from departments/ inventory contacts and makes necessary corrections in UT Share to ensure it is current and up-to-date at all times.
- Assists inventory contacts with completion of forms, and provides other assistance and collaborates with University personnel as needed.
- Provides replacement inventory tags to the departments as needed.

### Distribution Services

- Receives and distributes property within the University.
- Assists with the move and shipping of large assets as requested.
- Collaborates with Inventory Services and provides information necessary to ensure UT Share is accurate and up-to-date at all times.

- Oversees and maintains the storage, evaluation and handling of all surplus property.
- Ensures surplus property is available for inspection and reclamation by University staff.
- Assigns inventory tag numbers for assets and provides inventory tags to the departments as needed.

### Inventory Contact

- Serves as the principal department contact in regards to all property possessed and controlled by that department.
- Serves as the departments' primary liaisons to Inventory Services and Distribution Services.
- Ensures forms required for the acquisition of property by their respective departments are properly and fully completed.
- Maintains knowledge of and access to all department classrooms, offices, labs, rooms, closets and other spaces housing department property.

### Custodian

- Maintains possession of and control over department property assigned to their custody.
- Responsible for the oversight of department property assigned to their custody so as to maintain the asset in good working condition and prevent damage, loss, theft or other harm to the asset.
- Responsible for knowing the location of property assigned to them at all times.
- Provides asset information in a timely manner to the department's inventory contact when requested, including communicating the change in status (missing, damage, theft, etc.) of any assigned asset to their inventory contact immediately upon knowledge of the change in condition.

## Procedures

### Section I. Purchase of University Property.

A. All equipment and material items that are purchased from University accounts are purchased in the name of the University and the items acquired become the property of the University.

B. If the purchased asset is a computer(s), it must be delivered to and received by Distribution Services. The delivery of computers directly to the departments is strictly prohibited.

- If the device is a Dell computer:
  - Distribution Services will identify the receiving department according to the purchase order number.
  - Distribution Services sends the computer to the Encryption Department.
  - All Dell computers are pre-tagged with a University asset tag. The Encryption Department will note the asset tag number on the box form, reseal the box, and return the computer to Distribution Services.
  - Upon return of the device from the Encryption Department, Distribution Services will reconcile the asset tag number and device serial number, and ensure all information on the encryption documents is correct.
  - Distribution Services sends the encryption documents and other receiving documents to Inventory Services.
  - For controlled assets, Inventory Services will enter the device information necessary to enter the asset into UT Share.
  - For capital assets, Accounting Services will enter the device information necessary to enter the asset into UT Share.
  - Distribution Services delivers the computer to either the individual identified on the purchase order or the ordering department's inventory contact.
  - If the inventory contact receives or becomes aware of University property that is not tagged but should be, and a tag has not been provided to them, then it is incumbent on the inventory contact to contact Distribution Services immediately and request an inventory tag for the computer.
  - The State Property Accounting System (SPA) requires that all property labels must be highly visible and easily accessible during the annual inventory.
- If the purchased asset is a computer but it is not a Dell device:
  - Distribution Services will identify the receiving department according to the purchase order number.

- Distribution Services sends the computer to the Encryption Department.
- The Encryption Department will note the asset tag number on the box form, attach a University inventory tag to the computer, reseal the box, and return the computer to Distribution Services.
- Upon return of the device from the Encryption Department, Distribution Services will reconcile the asset tag number and device serial number, and ensure all information on the encryption documents is correct.
- Distribution Services provides encryption and receiving documents to Inventory Services, along with notice that a University inventory tag has been applied to the computer in the Encryption Department.
- For controlled assets, Inventory Services will enter the device information necessary to add the asset into UT Share.
- For capital assets, Accounting Services will enter the device information necessary to add the asset into UT Share.
- Distribution Services delivers the computer to either the individual identified on the purchase order or the ordering department's inventory contact.
- If the inventory contact receives or becomes aware of University property that is not tagged but should be, and a tag has not been provided to them, then it is incumbent on the inventory contact to contact Distribution Services immediately and request an inventory tag for the computer.
- The SPA system requires that all property labels must be highly visible and easily accessible during the annual inventory.

C. For all other University property, the expectation is that all purchased property must be delivered to and received by Distribution Services on behalf of the University. However, delivery directly to the department is permitted only if the nature or type of the property requires direct delivery and/or installation in the ordering department.

If the property is delivered to Distribution Services:

- Distribution Services will identify the receiving department according to the purchase order number.
- If Distribution Services determines an inventory tag is required, it will send a loose University inventory tag and Form B-PGS-F6 Asset Information Form along with the property to either the individual identified on the purchase order or the department's inventory contact.
- It is the inventory contact's responsibility to:
  - Ensure the inventory asset tag is adhered to the asset in a conspicuous place on the asset that will be easily accessible during annual inventory; and
  - Complete the Form BF-PGS-F-6 Asset Information Form and return to Distribution Services, with a copy to Inventory Services.
- Distribution Services provides encryption and receiving documents to Inventory Services, along with notice that a loose inventory tag has been provided to the department.
- For controlled assets, Inventory Services will enter the device information necessary to enter the asset into UT Share.
- For capital assets, Accounting Services will enter the device information necessary to enter the asset into UT Share.
- If the inventory contact receives or becomes aware of University property that is not tagged but should be, and a tag has not been provided to them, then it is incumbent on the inventory contact to contact Distribution Services immediately and request an inventory tag for the computer.
- The SPA system requires that all property labels must be highly visible and easily accessible during the annual inventory.

If the property is delivered directly to the department:

- The party receiving the property is responsible for immediately advising the department's inventory contact that property has been received by the department.

- No later than five (5) business days after receipt of the property, the inventory contact will provide a completed Form BF-PGS-F6 Asset Information Form to Distribution Services by email at [Distribution\\_Services@uta.edu](mailto:Distribution_Services@uta.edu).
- If an inventory tag is required, Distribution Services will forward a University inventory tag to the inventory contact.
- For controlled assets, Inventory Services will enter the device information necessary to enter the asset into UT Share.
- For capital assets, Accounting Services will enter the device information necessary to enter the asset into UT Share.
- It is the inventory contact's responsibility to ensure the inventory asset tag is adhered to the asset in a conspicuous place on the asset that will be easily accessible during annual inventory.
- The SPA system requires that all property labels must be highly visible and easily accessible during the annual inventory.

D. When assets are received at Distribution Services' loading dock, Distribution Services staff will check the merchandise for obvious signs of damage, and then arrange for delivery to the ordering department. Distribution Services will not open shipping containers or packages, or break down pallets except in the presence of a member of the ordering department.

E. Distribution Services is not responsible for damage or loss caused to merchandise, buildings or other property that occurs during the delivery or moving process, or while the purchased asset is in the possession of Distribution Services, except for that which results from the negligence of Distribution Services staff.

## Section II. Property Acquired by Transfer.

A. A department may acquire property by transfer from either another department within the University or from a party outside the University. The following steps must be taken when a department receives property by such transfers:

Transfers from another University department.

- The inventory contact receives a fully completed Form BF-PM-F1 Inventory Transaction Form from the transferring department's inventory contact.

- The receiving inventory contact ensures the receiving department head or designee signs the Form BF-PM-F1 and then returns the form to the transferring department's inventory contact.
- The transferring party sends a copy of the Form BF-PM-F1 signed by both department heads to Inventory Services. Inventory Services will then ensure UT Share is updated to reflect a change in the possession of the transferred asset(s).
- The transferring and receiving departments arrange for delivery of the property to the accepting department.
- It is the responsibility of the Department Head to ensure that data on hard drives (i.e. internal or external hard drives) is securely erased before transfer or surplus. Additionally, electronic media (e.g. usb storage, portable drives, floppy disks, CD's, magnetic tape, etc.) must be securely erased or destroyed before disposal. These tasks must be performed in order to prevent the inadvertent unauthorized disclosure of confidential information. Please refer to Information Security Office procedures for securely disposing of media via the following link: [https://www.uta.edu/security/security\\_standards/secure\\_media\\_destruction\\_and\\_erasure/](https://www.uta.edu/security/security_standards/secure_media_destruction_and_erasure/). Always follow University Records management procedures for data disposal. It is also the department head's responsibility to ensure that official University records that have not met retention requirements are transferred to an accessible location.
- The transferring department may request assistance moving large assets (assets so large or heavy as to require two or more persons using a mechanical lift) by completing a Form BF-PM-F4 Work Request and emailing the completed and signed form to Distribution Services at [Distribution\\_Services@uta.edu](mailto:Distribution_Services@uta.edu).
  - Distribution Services is not responsible for damage or loss caused to merchandise, buildings or other property that occurs during the delivery or moving process, or while the transferred asset is in the possession of Distribution Services, except for that which results from the negligence of Distribution Services staff.
- If the requested move is beyond the capability of Distribution Services, Distribution Services staff will work with the department to find a third-party vendor. Payment for moving services by a third-party vendor is the responsibility of the department.
- If the inventory contact receives or becomes aware of University property that is not tagged but should be, and a tag has not been provided to them, then it is incumbent on the inventory contact to

contact Distribution Services immediately and request an inventory tag for the property.

- The SPA system requires that all property labels must be highly visible and easily accessible during the annual inventory.

Transfers from a party outside the University.

- The inventory contact is notified by the custodian or department head that property is to be transferred to the department from a party outside the University.
- No later than five (5) business days after receipt of the property, the inventory contact will provide a completed Form BF-PGS-F6 Asset Information Form along with a copy of the transferring party's paperwork to Distribution Services by email at [Distribution\\_Services@uta.edu](mailto:Distribution_Services@uta.edu).
- Only upon delivery of the fully executed Form BF-PGS-F6 and supporting paperwork to Distribution Services can the receiving department arrange for delivery of the property to the department. The shipping details should be agreed upon between the transferring and receiving parties.
- If the purchased asset is a computer(s), it must be delivered to and received by Distribution Services. The delivery of computers directly to the departments is strictly prohibited.
  - Distribution Services will identify the receiving department using the Form BF-PGS-F6 received from the Inventory Contact.
  - Distribution Services sends the computer to the Encryption Department.
  - The Encryption Department will note the asset tag number on the box form, attach a University inventory tag to the computer, reseal the box, and return the computer to Distribution Services.
  - Upon return back from the Encryption Department, Distribution Services will reconcile the asset tag number and device serial number, and ensure all information on the box form is correct.
  - Distribution Services sends the encryption form and other receiving documents to Inventory Services, along with notice that a University inventory tag has been applied to the computer in the Encryption Department.
  - For controlled assets, Inventory Services will enter the device information necessary to enter the asset into UT Share.

- For capital assets, Accounting Services will enter the device information necessary to enter the asset into UT Share.
- Distribution Services delivers the computer to either the individual identified on the purchase order or the department's inventory contact.
- Distribution Services is not responsible for damage or loss caused to merchandise, buildings or other property that occurs during the delivery or moving process, or while the transferred asset is in the possession of Distribution Services, except for that which results from the negligence of Distribution Services staff.
- If the inventory contact receives or becomes aware of University property that is not tagged but should be, and a tag has not been provided to them, then it is incumbent on them to contact Distribution Services immediately and request an inventory tag for the computer.
- The SPA system requires that all property labels must be highly visible and easily accessible during the annual inventory.
- For all other property transferred into the University, the usual expectation is that the property must be delivered to and received by Distribution Services on behalf of the University. However, delivery directly to the department is permitted if the nature or type of the property requires said direct delivery and/or installation.
  - If the property is delivered to Distribution Services:
    - Distribution Services will identify the receiving department according to the Form BF-PGS-F6 received from the Inventory Contact.
    - If Distribution Services determines an inventory tag is required, it will send a loose University inventory tag along with the property to either the individual identified on the purchase order or the department's inventory contact.
    - Distribution Services is not responsible for damage or loss caused to merchandise, buildings or other property that occurs during the delivery or moving process, or while the purchased asset is in the possession of Distribution Services, except for that which results from the negligence of Distribution Services staff.

- It is the inventory contact's responsibility to ensure the inventory asset tag is adhered to the asset in a conspicuous place on the asset that will be easily accessible during annual inventory.
- Distribution Services sends the receiving documents to Inventory Services. Distribution Services will also advise Inventory Services that a loose inventory tag has been provided to the department.
- For controlled assets, Inventory Services will enter the device information necessary to enter the asset into UT Share.
- For capital assets, Accounting Services will enter the device information necessary to enter the asset into UT Share.
- If the inventory contact receives or becomes aware of University property that is not tagged but should be, and a tag has not been provided to them, then it is incumbent on them to contact Distribution Services immediately and request an inventory tag for the computer.
- The SPA system requires that all property labels must be highly visible and easily accessible during the annual inventory.
- If the property is delivered directly to the department:
  - The receiving party is responsible for immediately advising the department's inventory contact that University property has been received by the department.
  - No later than five (5) business days after receipt of the property, the inventory contact will provide Distribution Services with a completed Form BF-PGS-F6 Asset Information Form by email at [Distribution\\_Services@uta.edu](mailto:Distribution_Services@uta.edu).
  - If an inventory tag is required, Distribution Services will forward an inventory tag to the inventory contact.
  - For controlled assets, Inventory Services will enter the asset information necessary to enter the asset into the UT Share active inventory list.

- For capital assets, Accounting Services will enter the asset information necessary to enter the asset into the UT Share active inventory list.
- It is the inventory contact's responsibility to ensure the asset tag is adhered to the property in a conspicuous place on the asset that will be easily accessible during annual inventory.
- If the inventory contact receives or becomes aware of University property that is not tagged but should be, and a tag has not been provided to them, then it is incumbent on them to contact Distribution Services immediately and request an inventory tag for the computer.
- The SPA system requires that all property labels must be highly visible and easily accessible during the annual inventory.

### Section III. Property Received from Surplus.

A University department may claim property from the store of surplus property maintained by Distribution Services as follows:

Surplus property determined by Distribution Services to be appropriate for reuse will be made available for inspection and reclamation by University staff, on a first come first served basis, on Thursdays and Fridays of every week, excluding official school holidays, between the hours of 8:00 a.m. and 12:00 p.m.

- Surplus property may only be reclaimed for official University business. The personal use of property reclaimed from surplus property is strictly prohibited. Students who wish to claim surplus property must have written authorization from the appropriate department representative.
- If a controlled or capital asset is reclaimed from surplus property, Distribution Services will complete a Form BF-PM-F1 Inventory Transaction Form, sign it along with the receiving department head, and forward it to Inventory Services.
- Inventory Services will re-enter the asset onto the active UT Share inventory list.

Computers in surplus will not be available for reclamation.

Sales to an employee of the University of any supplies, materials, services, equipment, or property is prohibited. This provision does not apply to sales or purchases made at public auction.

#### Section IV. Gifts-In-Kind (Donations) to University Departments.

A. The University often receives furniture, equipment, museum collections, historical treasures and works of art, etc. as gifts. These items become property of the University upon formal acceptance. The official acceptance of all gifts on behalf of the University is governed by the University of Texas System Board of Regents' Rules and Regulations, Rule 60101 Acceptance and Administration of Gifts. When accepting a gift on behalf of the University, the procedural guidelines in the University's Procedure GA-IA-PR2 Gifts to the University apply.

B. Gifts-in-kind (donations) must be approved by the Department Head and reported through the Office of Development. Donated property is to be received as follows:

The Office of Development will provide notice of all property gifts by forwarding a copy of the Form GA-IA-F5 Gift Record Form and Form GA-IA-F3 Deed of Gift, as well as the serial number of the asset, if applicable, to Inventory Services and Distribution Services no later than three (3) business days prior to the agreed upon delivery or remission date.

C. The expectation is that all donated and gifted property must be delivered to and received by Distribution Services on behalf of the University. However, delivery directly to the department is permitted only if the nature or type of the property requires direct delivery and/or installation in the ordering department.

If the purchased asset is a computer(s), it must be delivered to and received by Distribution Services. The delivery of computers directly to the departments is strictly prohibited.

- Distribution Services will identify the receiving department according to the information provided by the Office of Development.
- Distribution Services sends the computer to the Encryption Department.
- The Encryption Department will note the asset tag number on the box form, attach a University inventory tag to the computer, reseal the box, and return the computer to Distribution Services.
- Upon return back from the Encryption Department, Distribution Services will reconcile the asset tag number and device serial number, and ensure all information on the encryption documentation is correct.

- Distribution Services sends the encryption and receiving documents to Inventory Services, along with notice that a University inventory tag has been applied to the computer in the Encryption Department.
- For controlled assets, Inventory Services will enter the device information necessary to enter the asset into UT Share.
- For capital assets, Accounting Services will enter the device information necessary to enter the asset into UT Share.
- Distribution Services delivers the computer to the receiving department's inventory contact.
- Distribution Services is not responsible for damage or loss caused to merchandise, buildings or other property that occurs during the delivery or moving process, or while the purchased asset is in the possession of Distribution Services, except for that which results from the negligence of Distribution Services staff.

For all other property that is donated or gifted to the University:

- If the property is delivered to Distribution Services:
  - Distribution Services will identify the receiving department according to the information provided by the Office of Development
  - If an inventory tag is required, Distribution Services will deliver a loose inventory tag to the inventory contact along with the property.
  - Distribution Services is not responsible for damage or loss caused to merchandise, buildings or other property that occurs during the delivery or moving process, or while the purchased asset is in the possession of Distribution Services, except for that which results from the negligence of Distribution Services staff.
- It is the inventory contact's responsibility to
  - Ensure the inventory asset tag is adhered to the asset in a conspicuous place on the asset that will be easily accessible during annual inventory;
  - If a tag cannot be placed on the asset because it will affect the asset's value, as in the case of historical pieces, antique books, or works of art, the inventory contact must keep the inventory tag secured in an accessible place and maintain a careful and

easily auditable system for reconciling the loose tag to the asset to which it belongs.

- Distribution Services sends the receiving documents to Inventory Services. Distribution Services will also advise Inventory Services that a loose inventory tag has been provided to the department.
- For controlled assets, Inventory Services will enter the device information necessary to enter the asset into UT Share.
- For capital assets, Accounting Services will enter the device information necessary to enter the asset into UT Share.

If the property is delivered directly to the department:

- The party receiving the property is responsible for immediately advising the department's inventory contact that donated property has been received by the department.
- No later than five (5) business days after receipt of the property, the inventory contact will advise Distribution Services by email that the department has received donated or gifted property as described in the documents previously provided by the Office of Development.
- If an inventory tag is required, Distribution Services will forward a University inventory tag to the inventory contact.
- For controlled assets, Inventory Services will enter the device information necessary to enter the asset into UT Share.
- For capital assets, Accounting Services will enter the device information necessary to enter the asset into UT Share.
- It is the inventory contact's responsibility to:
  - Ensure the inventory asset tag is adhered to the asset in a conspicuous place on the asset that will be easily accessible during annual inventory;
  - If a tag cannot be placed on the asset because it will affect the asset's value, as in the case of historical pieces, antique books, or works of art, the inventory contact must keep the inventory tag secured in an accessible place and maintain a careful and easily auditable system for reconciling the loose tag to the asset to which it belongs.

D. If the inventory contact receives or becomes aware of donated property that is not tagged but should be, and a tag has not been provided to them, then it is incumbent on the inventory contact to contact Distribution Services immediately and request an inventory tag for the asset.

E. Asset Value.

Fair market value will be the value used to add the item into inventory by Inventory Services and is not intended to establish or substitute an appraised value.

The University will not send any acknowledgement indicating the dollar value of a gift-in-kind to the donor. It is the donor's responsibility to report the gift's value accurately to the Internal Revenue Service, and University staff will not appraise any donated item. If an official appraisal is deemed necessary, any costs associated with this appraisal will be the responsibility of the receiving department.

The State Comptroller requires that all gifts or donations be reported at fair value at the time of donation plus subsidiary charges, if any.

The University will not furnish property appraisals or valuations to donors for tax purposes or any other purpose. The University will not knowingly participate in a transaction in which the value of a gift is inflated above its true fair market value to obtain a tax advantage for a donor.

The method in which a gift-in-kind's value is appraised becomes part of the property record. The approved methods of appraisal are as follows:

- Invoices or other documents stating the original cost.
- Manufacturer's price list.
- Distributor and supply company catalogs.
- Industry publications and trade journals.
- Realtors, appraisers, and bankers.
- **Note:** This method should be used sparingly and documented.

#### Section V. Fabrication/ Construction of Equipment in a Department.

A. Equipment and furniture are sometimes fabricated and/or constructed in a University department. If the cost to build these items, including labor,

results in a final asset value of \$5,000.00 or more, it must be added to the department's inventory as follows:

- The department head advises the department's inventory contact that an asset requiring tagging has been fabricated or constructed by the department.
- The inventory contact provides Distribution Services and Accounting Services with a completed Form BF-PGS-F6 Asset Information Form
- If an inventory tag is required, Inventory Services will enter the asset information necessary to enter the asset into the UT Share Active Inventory List.
- For controlled assets, Inventory Services will enter the asset information necessary to enter the asset into the UT Share active inventory list.
- For capital assets, Accounting Services will enter the asset information necessary to enter the asset into the UT Share active inventory list.
- It is the inventory contact's responsibility to ensure the asset tag is adhered to the property in a conspicuous place on the asset that will be easily accessible during annual inventory.
- The SPA system requires that all property labels must be highly visible and easily accessible during the annual inventory.

B. Improvements or additions to existing assets that cost \$5,000.00 or more will be added to the department's inventory.

- The betterment or addition will become a component of the original asset and the value of the asset will be the total of all the parts. All other additions and replacements shall be expensed.
- The cost of the individual components may be less than the capitalization limit. However, the finished, tangible asset may have a total cumulative cost, including the cost of labor, that does meet the capitalization limit, in which case the fabricated asset should be added to the department's inventory as follows:
  - The department head advises the department's inventory contact that an existing asset not previously in the department's inventory as a capital or controlled asset has been improved to the extent that the asset now requires tagging.

- The inventory contact provides Distribution Services and Accounting Services with a completed Form BF-PGS-F6 Asset Information Form.
- If an inventory tag is required, Distribution Services will forward a University inventory tag to the inventory contact.
- For controlled assets, Inventory Services will enter the asset information necessary to enter the asset into the UT Share active inventory list.
- For capital assets, Accounting Services will enter the asset information necessary to enter the asset into the UT Share active inventory list.
- It is the inventory contact’s responsibility to ensure the asset tag is adhered to the property in a conspicuous place on the asset that will be easily accessible during annual inventory.
- The SPA system requires that all property labels must be highly visible and easily accessible during the annual inventory.

## Definitions

**Capital Asset:** Real or personal property that has an estimated life of greater than one year and a value equal to or greater than the capitalization threshold established for that asset type. The threshold values for capitalized assets include the following:

Description	Threshold Amt.
<b>Tangible Assets</b>	
Furniture and equipment	\$5,000
Vehicles, boats and aircraft	\$5,000
Other capital assets	
<ul style="list-style-type: none"> <li>• Books - Historical, Manuscripts &amp; Rare Publications</li> <li>• Works of art and historical treasures</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• \$0</li> <li>• \$0</li> </ul>
<b>Intangible Assets</b>	
Computer software	\$100,000
Internally developed computer software	\$1,000,000
Other intangible capital assets	\$100,000

**Controlled Asset:** An asset that does not meet the capitalization value threshold, but still must be secured, tracked, and accounted for in the annual inventory due to the nature of the item. Controlled assets include:

Controlled (at any cost)

Class Code	Property Item
106	Hand Guns
107	Rifles & Shotguns
203	SERVERS
204	Computer Desktop – not Apple
214	Computer Desktop – Apple
219	Smartphones, Tablets, & Other Hand Held Devices
284	LAPTOP COMPUTERS - NOT APPLE
294	LAPTOP APPLE CPU

Controlled (\$500.00 to \$4,999.99)

Class Code	Property Item
129	Sound Systems and Other Audio Equipment
130	Camera- Portable – Digital, SLR
131	TVs, Video Players/Recorders
218	Data Projectors
735	Unmanned Aerial Vehicles (UAV) Drones

**Custodian:** The individual primarily responsible for possession, use and oversight of a specific item of University property so as to maintain the asset in good working condition and prevent damage, loss, theft or other harm to the asset.

**Department Head:** The individuals (Chairs) designated by the Deans of the ten academic University Colleges or Schools, including the University Library, to lead the various departments within those colleges and schools. In regard to non-academic divisions, the Vice Presidents, Assistant Vice President, Associate Vice President, Executive Director, University Attorney, and Athletic Director, all of whom report

directly to the University President, are the Department Heads of their respective divisions. Department Heads may delegate their duties hereunder as they deem appropriate. However, the accountability of the Department Heads hereunder is non-delegable. A list of University departments is maintained by Inventory Services and can be obtained by email request to Inventory Services at [inventory@uta.edu](mailto:inventory@uta.edu).

**Distribution Services and Mail Services (“Distribution Services”):** The University department supervised by the Assistant Vice President for Business Services that is responsible for, among other things, the receipt and distribution of new University property, and the disposition of surplus and salvage property.

**Equipment:** A tangible asset that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a contract or some other identifiable purpose. 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.

**Fabricated Equipment:** Equipment made or constructed from raw or processed materials, supplies, parts, small tools, components, etc.

**Gifts-In-Kind:** Non-cash gifts or tangible personal property that can be put to immediate use by the University or immediately converted to cash.

**Inventory Contact:** The individual or individuals designated by the Department Head to serve as the principal department contact in all matters pertaining to property possessed and controlled by that department. The inventory contacts are the departments’ primary liaison to Inventory Services and Distribution Services.

**Inventory Services:** The University department supervised by the Assistant Vice President for Business Services that is responsible for oversight of the annual inventory certification and associated follow-up inventory reviews, receipt and processing of Forms BF-PM-F1, BF-PM-F7, BF-PM-F8, BF-PM-F2, BF-PGS-F6, BF-PGS-F9 and other inventory-related forms, reconciliation of information received from University departments, and maintenance of data and information in UT Share.

**Missing Property:** An asset that is absent and its whereabouts cannot be accounted for or verified. Missing property includes lost and stolen property.

**Property:** Any capital or controlled asset in the possession and control of the University that is not classified as real property. Property is any possession of the University/ State of Texas that has sufficient value and/ or is of a particular nature so as to warrant inclusion in the fixed asset financial reports and to have management controls placed upon it. For purposes of this procedure, it does not include consumable items nor does it include real property such as land or buildings, improvements to land or buildings, or infrastructure.

**Property Manager:** Texas Government Code §403.2715(d) requires that the University President designate a Property Manager who will maintain required property records and serve as the custodian of all property possessed by the University. The Associate Vice President and Controller is the University's designated Property Manager.

**Salvage Property:** Property that, because of its worn, damaged, deteriorated, incomplete condition, or specialized nature, has no reasonable prospect of sale or use as serviceable property without major repairs, but has some value in excess of its scrap value.

**Scrap:** Personal property that has no value except for its basic material content.

**SPA:** The State Property Accounting system; implemented by the Texas State Comptroller, it establishes the requirements for inventory management systems to be implemented by state agencies, including the University.

**Stolen Property:** Any equipment missing from the University as the result of forced removal, burglary, theft, misappropriation or other criminal acts. Stolen property includes assets removed from the University premises, with or without consent, which are not returned to the University upon demand.

**Surplus Property:** Property that exceeds the University's needs and is not required for the University's foreseeable needs. The term includes used or new property that retains some usefulness for the purpose for which it was intended or for another purpose.

**UT Share:** The computerized accounting system used by a subset of the UT System. UT Share includes an asset management module utilized by the University to monitor, track and report all University-owned property.

## Effective Date

This procedure becomes effective immediately upon its publication on the University's Office of Legal Affairs Policy Site.

This procedure replaces and supersedes Procedure 2-44 Addition of Property to a Department's Inventory [July 21, 2016].

In the event any of the provisions of this procedure conflict with state or federal law, or UT System rules or regulations, then those authorities will take precedence over the provisions set forth herein.

## Relevant Federal and State Statutes



Texas Government Code §§403.013, 403.2715, 403.272, 403.273(h), 403.275, and 403.278

19 Texas Administrative Code Chapter 17

Texas State Comptroller *State Property Accounting ("SPA") Process User's Guide*

## Relevant UT System and UTA Policies, Procedures, and Forms

Regents' Rules and Regulations, Rule 60101, Acceptance and Administration of Gifts

UTS138 Gift Acceptance Procedures

UTS 159 Purchasing

UTA Procedure GA-IA-PR2 Gifts to the University

UTA Procedure BF-PGS-PR1 Value Purchasing Procedures

Form GA-IA-F5 Gift Record Form

Form GA-IA-F3 Deed of Gift

Form BF-PM-F1 Inventory Transaction Form

Form BF-PM-F4 Work Request Form

Form BF-PGS-F6 Asset Information Form

## Contact Information

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

Subject	Office Name	Telephone Number	Email/URL
All topics covered in this procedure.	Inventory Services	817-272-9684	<a href="mailto:inventory@uta.edu">inventory@uta.edu</a>
Receipt and distribution of acquired property	Distribution Services	817-272-2191	<a href="mailto:Distribution_Services@uta.edu">Distribution_Services@uta.edu</a>

Capital asset value	Accounting Services	817-272-2194	<a href="mailto:accounting@uta.edu">accounting@uta.edu</a>
Website access	Office of Legal Affairs	817-272-5577	kphillip@uta.edu