



Procedure BF-PM-PR3 Disposition of University Property

Dates Effective: October 22, 2019

Responsible Officer: Associate Vice President and Controller

Sponsoring Department: Business Services

Errors or changes to: policysite@uta.edu

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Objective

This procedure sets forth the procedures and requirements to be followed when assets are removed from a University of Texas at Arlington (the "University") department's inventory. The University is required to remain in compliance with all applicable state and federal laws and rules, as well as with University of Texas System rules and policies, at all times. Requirements and protocol regarding notification of asset removal, documentation and records, delegation of responsibilities, chains of custody and sequence of events, and the methods of removal from department inventory, as well as the temporary removal of property from the University premises are all addressed in this procedure.

Rationale

There are several ways to dispose of an asset, including: transfer or sale from one department's inventory into another department's inventory or to an entity outside the University; trade-in; property that is missing, lost or stolen; or transfer of the property to surplus or salvage for final disposal. University assets are especially vulnerable to being lost when they are disposed of and removed from the University's active inventory.

As a publicly funded institution of higher education, all property owned, possessed and held by the University rightfully belongs 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."

Therefore, the University must maintain strict controls on the disposition of property within its control to ensure 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 because the University and individual University personnel could be held liable for property that is lost, missing or damaged, or that is disposed of inappropriately. Furthermore, 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 dependent on the University's implementation and enforcement of an effective and accurate asset management system that ensures property is safeguarded and disposed of in a controlled and appropriate manner. The mandatory procedures regarding the disposal of University property are set out below.

Scope

This procedure applies to all University personnel who possess, control, or track University property or remove property from their department's inventory.

Procedures

Responsibilities

Property Manager

- Ensures required property records are maintained and serves as the designated custodian of all property possessed by the University.
- Approves the sale of University property to non-University organizations or individuals.

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 transfer or sale of University property, and makes recommendations and negotiates sale terms that are in the best interest of the University.
- Approves the forms necessary for the disposition of University property.
- Ensures a diligent search for missing items is conducted by department staff and that the University Police Department are notified if the item cannot be found.
- Ensures the University Police Department are notified immediately if an item of property is believed stolen.
- Ensures the Information Security Office is notified immediately if a University owned computer is believed to be missing or stolen.
- Reviews and approves or disapproves recommendations to cannibalize department property.
- Investigates reports of missing or stolen department property to determine whether the loss was due to the negligence or malfeasance of department personnel.

Inventory Services

- 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.

Distribution Services

- Assists with the move and shipping of large assets as provided in the Procedure.
- Responsible for the disposition of surplus and salvage property.
- Collaborates with Inventory Services and provides information necessary to ensure UT Share is accurate and up-to-date at all times.

- Coordinates the on-line auction of surplus property deemed suitable for such disposition.
- Oversees and maintains the storage, evaluation and handling of all surplus property.
- Ensures surplus property is available for inspection and reclamation by University staff.
- Offers surplus property that is suitable for use for instructional purposes to a public school or school district, or an assistance organization designated by the school district, at a price or for other consideration to be determined by the Property Manager.
- Removes hard drives from all computers transferred as surplus property and ensures their proper destruction.

Inventory Contact

- Serves as the principal department contact in regards to all property possessed and controlled by that department.
- Serves as the departments' primary liaison to Inventory Services and Distribution Services
- Completes forms necessary for the disposition of department property.
- 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. Transfer of Property from One University Department to Another University Department.

A. A department may transfer its property to another department within the University through a simple transfer. The following steps must be taken when a department transfers property to another University department:

- The inventory contact is notified by the custodian or department head that property is to be transferred to another University department.
- The inventory contact ensures the Form BF-PM-F1 Inventory Transaction Form is completed with information provided by the custodian and/ or department head, including the UT Arlington inventory tag number, description, serial number, and acquisition value. The acquisition value, if not known, can be obtained by contacting Inventory Services.
- The inventory contact then has the Form BF-PM-F1 signed by the transferring department head or designee, and forwards it to the receiving department's inventory contact.
- The receiving inventory contact has the receiving department head or designee sign the Form 2-45 and then forwards the signed form to Inventory Services with a c BF-PM-F1 copy of the signed form returned to the transferring department's inventory contact.
- Inventory Services will review and sign the Form BF-PM-F1, and make it available to the transferring and receiving departments. If the property to be transferred originated as a gift or donation to the University, Inventory Services will contact the Office of Institutional Advancement, Advancement Services and confirm that there are no prohibitions or conditions precluding the proposed transfer.
- Inventory Services will then make the necessary adjustments in UT Share to reflect the change in ownership and custodianship of the transferred property.
- Only upon execution of the Form BF-PM-F1 by Inventory Services can the asset be moved to the receiving 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. It is also the responsibility of the Department Head to ensure that official University records that have not met retention requirements are transferred from the hard drive to an accessible location. 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/. Always follow University Records management procedures for data disposal.

- 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.
- 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.
- Until such time as the Form BF-PM-F1 is executed by Inventory Services and UT Share is adjusted, the property will remain on the transferring department's inventory list and remain the responsibility of the transferring department for all purposes.

Section II. Transfer (Non-Sale) of Property by a University Department to an External Party.

- A. A department may transfer its property to an entity outside the University, such as another state agency, university or research facility, through a simple, non-sale transfer.
- B. The external transfer of any University property without the express consent and approval of the University's Property Manager is strictly prohibited.
- C. If the asset is classified as Government property and/ or was acquired pursuant to a grant or contract, then the asset must be handled according to the requirements of Procedure BF-PM-PR7 United States Government-owned Equipment: Responsibilities, Care, Maintenance, Utilization, Identification, Disposition and Records. The transfer of such property contrary to those requirements is strictly prohibited.
- D. For all other capital and controlled assets, the following steps must be taken when the asset is to be transferred, not sold, to an external party:
- The inventory contact is notified by the custodian or department head that property is to be transferred to a party outside the University.
 - The inventory contact ensures a Form BF-PM-F1 Inventory Transaction Form, a Form BF-PM-F7 State Property Transfer Form, and a Form BF-PM-F8 Asset Transfer Receipt are fully completed with information provided by the custodian and/ or department head, including the UT Arlington inventory number, description, serial number, and asset acquisition value. The asset acquisition value, if not known, can be obtained by contacting Inventory Services.

- The inventory contact has the Form BF-PM-F1 and Form BF-PM-F7 signed by the department representative designated on the forms.
- The inventory contact forwards the Form BF-PM-F1, BF-PM-F7 and BF-PM-F8 to Inventory Services.
- Inventory Services will review the Form BF-PM-F1, BF-PM-F7 and Form BF-PM-F8. If the property to be transferred originated as a gift or donation to the University, Inventory Services will contact the Office of Institutional Advancement, Advancement Services and confirm that there are no prohibitions or conditions precluding the proposed transfer.
- Upon confirmation that the forms are complete and in due form, Inventory Services will forward the Form BF-PM-F1, Form BF-PM-F7 and Form BF-PM-F8 to the Property Manager or the Property Manager's designee for approval.
- The Property Manager will either sign the Form BF-PM-F8 to indicate approval of the transfer, or note the reason for disapproval, and returns all of the forms to Inventory Services. The transfer will only be approved if it is in the best interest of the University to dispose of the property in this manner.
- Inventory Services receives the Form BF-PM-F1, Form BF-PM-F7 and Form BF-PM-F8 from the Property Manager, and returns them to the transferring inventory contact.
- Only upon receipt of the Form BF-PM-F1, Form BF-PM-F7 and Form BF-PM-F8 signed by the Property Manager can the inventory contact arrange for transfer of the property to the receiving party. The inventory contact will also forward a copy of the Form BF-PM-F8, along with the asset, to the receiving party for signature by its designated representative. Before the item is physically transferred, the University property tag must be removed from the asset.
- 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. It is also the responsibility of the Department Head to ensure that official University records that have not met retention requirements are transferred from the hard drive to an accessible location. 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/. Always follow University Records management procedures for data disposal.

- Once the fully executed Form BF-PM-F8 is returned from the receiving party, the inventory contact will forward the form to Inventory Services along with the asset tag that was removed from the property.
- Upon receipt of the fully executed Form BF-PM-F8 and the asset tag, Inventory Services will make the appropriate adjustments in UT Share. Until such time, the property will remain on the inventory list and remain the responsibility of the transferring department for all purposes.

Section III. Sale of University property.

A. A department may sell equipment valued less than \$50,000 to non-University organizations or individuals with approval from the Property Manager, or the Property Manager's designee.

B. The sale of any University property without the express consent and approval of the University Property Manager is strictly prohibited.

C. If the asset is classified as Government property and/ or was acquired pursuant to a grant or contract, then the asset must be handled according to the requirements of Procedure BF-PM-PR7 United States Government-owned Equipment: Responsibilities, Care, Maintenance, Utilization, Identification, Disposition and Records. The sale of such property contrary to those requirements is strictly prohibited.

D. For all other capital and controlled assets, the following steps must be taken when the asset is to be sold by a University department:

- The department head or designee will negotiate and agree upon the sales price and other transaction terms, including shipping arrangements, with the purchasing party.
- The inventory contact ensures a Form BF-PM-F1 Inventory Transaction Form, a Form BF-PM-F7 State Property Transfer Form, and a Form BF-PM-F8 Asset Transfer Receipt are fully completed with information provided by the custodian and/ or department head, including the UT Arlington inventory number, description, serial number, and asset acquisition value. The asset acquisition value, if not known, can be obtained by contacting Inventory Services.
- The inventory contact has the Form BF-PM-F7 and Form BF-PM-F8 signed by the department representative designated on the forms.

- The inventory contact forwards the Form BF-PM-F1, BF-PM-F7 and BF-PM-F8 to Inventory Services.
- Inventory Services will review the *Form BF-PM-F1, Form BF-PM-F7 and Form BF-PM-F8*. If the property to be sold originated as a gift or donation to the University, Inventory Services will contact the Office of Institutional Advancement, Advancement Services and confirm that there are no prohibitions or conditions precluding the proposed sale before proceeding further.
- Upon confirmation that the forms are complete and in due form, Inventory Services will forward the forms to the Property Manager or the Property Manager's designee for approval.
- The Property Manager will either sign the Form BF-PM-F7 to indicate approval of the sale, or note the reason for disapproval, and returns the forms to Inventory Services. The sale of University property will only be approved if it is in the best interest of the University to dispose of the property in this manner.
- Inventory Services receives the Form BF-PM-F1, *Form BF-PM-F7 and Form BF-PM-F8* from the Property Manager, and returns them to the inventory contact.
- Only upon receipt of the Form BF-PM-F1, Form BF-PM-F7 and Form BF-PM-F8 signed by the Property Manager can the inventory contact arrange for final sale and transfer of the property to the receiving party. The inventory contact will also forward a copy of the *Form BF-PM-F8*, along with the asset, to the receiving party for signature by its designated representative. Before the item is physically transferred, the University property tag must be removed from the asset.
- 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. It is also the responsibility of the Department Head to ensure that official University records that have not met retention requirements are transferred from the hard drive to an accessible location. 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/. Always follow University Records management procedures for data disposal.

- Once returned from the receiving party, the inventory contact will forward the fully executed Form BF-PM-F8 to Inventory Services along with the asset tag and evidence of payment in full.
- All sale proceeds will be deposited into the University Surplus Property cost center.
- Upon receipt of the fully signed Form BF-PM-F1 and Form BF-PM-F8, the asset tag and evidence of payment for the property, Inventory Services will make the appropriate adjustments in UT Share. Until such time, the property will remain on the inventory list and remain the responsibility of the University department for all purposes.

Section IV. Trade-In of University Property.

A. If the asset is classified as Government property and/ or was acquired pursuant to a grant or contract, then the asset must be handled according to the requirements of Procedure BF-PM-PR7 United States Government-owned Equipment: Responsibilities, Care, Maintenance, Utilization, Identification, Disposition and Records. The trade-in of such property contrary to those requirements is strictly prohibited.

B. A department may trade in University equipment in exchange for replacement or upgraded equipment or for credit towards the purchase of new equipment. The following steps must be taken when a department trades in equipment:

- The inventory contact fully completes BF-PM-F1 Inventory Transaction Form with information provided by the custodian and/ or department head, including the justification for the trade-in, UT Arlington inventory number, description, serial number, asset acquisition value, and amount of credit to be received. The asset acquisition value, if not known, can be obtained by contacting accounting services.
- The inventory contact has the Form 2-45 signed by the department head or designee, and then forwards the signed form BF-PM-F1 to Inventory Services.
- Before the item is physically transferred, the University property tag must be removed from the asset.
- 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. It is also the responsibility of the Department Head to ensure that official University records that have not met retention requirements are transferred from the hard drive to an accessible location. 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/. Always follow University Records management procedures for data disposal.

- Upon receipt of the fully executed Form BF-PM-F1, along with the inventory asset tag, Inventory Services will then make the necessary adjustments in UT Share.
- Until such time as a fully executed Form BF-PM-F1 and inventory asset tag are received by Inventory Services, the property will remain on the inventory list and remain the responsibility of the department.

Section V. Disposition of surplus or salvage property.

A. Transfer to Surplus Property: Extraordinary care must be taken when discarding University equipment that is no longer needed. Worn, obsolete, unserviceable, and otherwise useless equipment must be transferred to surplus property and must not be disposed of by any other procedure. Surplus property that is disposed of in contravention of these procedures will show up as missing on the department's official inventory list.

B. 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. It is also the responsibility of the Department Head to ensure that official University records that have not met retention requirements are transferred from the hard drive to an accessible location. 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/. Always follow University Records management procedures for data disposal.

C. If the asset to be disposed of is classified as Government property and/ or was acquired pursuant to a grant or contract, then the asset must be handled according to the requirements of Procedure BF-PM-PR7 United States Government-owned Equipment: Responsibilities, Care, Maintenance, Utilization, Identification, Disposition and Records. The disposition of such property contrary to those requirements is strictly prohibited.

D. If the property to be disposed of originated as a gift or donation to the University, the inventory contact must notify the Office of Institutional Advancement, Advancement Services and confirm that there are no prohibitions or conditions precluding the proposed disposition before proceeding further.

E. For all other property that is no longer needed (obsolete, broken, unneeded, etc.), and is not going to be transferred to another party, the property should be transferred to Distribution Services as follows:

- If the asset is not on the department's inventory list (i.e. it is **not** a controlled or capital asset):
 - The inventory contact completes a Form BF-PM-F4 Work Request Form and submits it to Distribution Services via the Distribution Services email inbox. Submission of the work request by any other method will not be accepted.
 - Distribution Services schedules a date and time with the inventory contact for pick-up of the property.
- If the asset is on the department's inventory list (i.e. it **is** a controlled or capital asset):
 - The inventory contact completes an Inventory Transaction Form BF-PM-F1.
 - Once completed, the inventory contact submits the Form BF-PM-F1 to Distribution Services via the Distribution Services email inbox. Submission of the work request by any other method will not be accepted.
 - Distribution Services schedules a date and time with the inventory contact for pick-up of the property.
 - Upon pick-up of the property, Distribution Services reconciles the asset inventory tag number and serial number on the asset against the information provided on the Form BF-PM-F1. If the asset is a computer, Distribution Services will remove the hard drive from the unit.
 - Distribution Services forwards the Form BF-PM-F1 to Inventory Services. Inventory Services will then transfer the asset to Surplus Property in UT Share.
 - Until such time as a fully executed Form BF-PM-F1 and inventory asset tag are received by Inventory Services, the property will remain on the inventory list and remain the responsibility of the department.

- Distribution Services documents pick-up charges and hard drive destruction charges, if applicable, and any other charges to be billed against the department's cost center on the Form BF-PM-F1 which is then submitted to Business Services for billing.
- Warehouse sorts the property in the warehouse according to the nature and type of the asset until final disposition.

F. Final disposition of surplus and salvage property.

- Distribution Services evaluates the submitted property and determines whether the property is either salvage or scrap or if it is appropriate for re-use within the University.
- Surplus property determined 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 attempting to reclaim 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, ensure it is fully executed, and forward it to Inventory Services.
 - Inventory Services will re-enter the asset onto the active UT Share inventory list.
- Distribution Services will evaluate surplus property and determine which assets are suitable for use for instructional purposes by a public school or school district, or an assistance organization designated by the school district, at a price or for other consideration to which the University and the public school or school district or the assistance organization agree or for no consideration as the University determines appropriate.
 - Distribution Services will communicate the availability of said surplus property to representatives of a public school or school district, or an assistance organization designated by the school district, and make the surplus property available for inspection at appointed times.

- The University must give preference to transferring the surplus property directly to a public school or school district or to an assistance organization designated by the school district before disposing of the property in another manner. If more than one public school or school district or assistance organization seeks to acquire the same property on substantially the same terms, the University must give preference to a public school that is considered low-performing by the commissioner of education or to a school district that has a taxable wealth per student that entitles the district to an allotment of state funds under Subchapter F, Chapter 42, Education Code, or to the assistance organization designated by such a school district.
- If a public school or school district or an assistance organization designated by the school district desires to claim any surplus property, the Property Manager, or designee, will determine the price or other consideration which the University will require for the identified surplus property or whether no consideration will be requested by the University.
- Surplus property not reclaimed by University staff, or first offered, sold or donated to a public school, school district or assistance organization will be subject to sale by public auction in amounts not to exceed \$50,000, at a time and manner to be determined by Distribution Services.
- The Institute for Sustainability and Global Impact ("ISGI") collects salvage and scrap materials suitable for recycling as electronic waste ("e-waste") and delivers the e-waste to Distribution Services. The e-waste will be set apart for pick-up by a recycling company contracted by the University as needed and in a manner determined by Distribution Services.
- Surplus property, including scrap and salvage, which is not otherwise reclaimed, donated, sold or recycled according to the provisions of this section will be disposed of in an appropriate manner by Distribution Services. This determination will be based on the amount of time the property has remained in the warehouse, warehouse space, and the likelihood that the property will be claimed by a party in the near future.

G. Purchase from or sale to any University employee of any supplies, materials, services, equipment, or property is prohibited. This does not apply to sales or purchases made at public auction.

Section VI. Missing or stolen property.

A. When department staff becomes aware that a capital or controlled asset is missing, a thorough search must be started immediately and continued until

the item is found or it is determined that the item has been stolen or can't be located.

B. Stolen Property.

- If the item is deemed stolen/theft on campus, the inventory contact or custodian must contact the University Police Department immediately and file an Offense/Incident Report.
- If the item is deemed stolen/theft off campus, the inventory contact or custodian must contact the corresponding Police Department where the offense/incident took place and file an Offense/Incident Report with that department.
- The inventory contact must complete Form BF-PGS-F9 Lost or Missing University Inventory Report Form and submit to Inventory Services. The inventory contact should include the Police Department's Offense/Incident Report number when submitting the Form BF-PGS-F9, as well as a copy of the police report.
- Upon receipt of the Form BF-PGS-F9 and copy of the police report, the asset will be classified as stolen in UT Share.
- If the stolen asset is a computing device (desktop, laptop, tablet, etc.), the inventory contact must also provide the University's Information Security Office with a copy of Form BF-PGS-F9, as well as a copy of the police report.

C. Missing Property

- Property that is missing, but not believed to have been stolen, must be reported to Inventory Services by completing Form BF-PGS-F9 after the department has conducted a diligent search for the item.
- Upon receipt of the Form BF-PGS-F9, Inventory Services will adjust UT Share records to indicate the asset is missing.
- If the missing item is located, the department's inventory contact must notify Inventory Services immediately.
 - Inventory Services will revise UT Share to return the asset to the active inventory list.
- If the missing asset is a computing device (desktop, laptop, tablets, etc.), the department must also forward a copy of the Form BF-PGS-F9 to the Information Security Office.

D. Any property not classified as capital or controlled that is determined to be missing or stolen must be reported to the Department Head. The Department Head is responsible for establishing internal controls for all items that are not classified as capital or controlled assets.

Section VII. Cannibalization of University property.

A. The practice of cannibalizing University equipment is normally to be avoided.

B. By its very nature, cannibalization often transforms the equipment to the extent that the asset is no longer the same piece of equipment that was originally tagged (i.e. it has become a different asset). Therefore, the failure to abide by these procedures may result in a department asset being indicated as missing on the department's official active inventory list until such time as the asset is restored to its original condition.

C. If the best interests of the University are served by removing parts from one asset for use in another asset, cannibalization is permitted, with the proper authorization, using the following procedures:

- The inventory contact is notified that department faculty or staff desires to cannibalize University equipment.
- The inventory contact fully completes Form BF-PM-F1 Inventory Transaction Form and has it signed by the Department Head. The cannibalization of University property should only be approved if it is in the best interest of the University.
- If the asset to be cannibalized is classified as Government property and/ or was acquired pursuant to a grant or contract, then the asset must be handled according to the requirements of Procedure BF-PM-PR7 United States Government-owned Equipment: Responsibilities, Care, Maintenance, Utilization, Identification, Disposition and Records The cannibalization of such property contrary to those requirements is strictly prohibited.
- The inventory contact forwards the signed Form BF-PM-F1 to Inventory Services.
- Inventory Services will review the Form BF-PM-F1 for completeness and to determine if further action is required before the cannibalization of the equipment may proceed.

- Inventory Services signs the Form BF-PM-F1 and returns it to the inventory contact.
- The department is authorized to proceed with cannibalization of the asset upon the inventory contact's receipt of the fully executed Form BF-PM-F1

D. If cannibalization renders the original asset inoperable or non-functional for its intended purpose, then it must be sent to Distribution Services as surplus property.

- The inventory contact completes a Form BF-PM-F4 Work Request Form and submits it to Distribution Services via the Distribution Services email inbox, along with a copy of the completed BF-PM-F1. Submission of the work request by any other method will not be accepted.
- 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. It is also the responsibility of the Department Head to ensure that official University records that have not met retention requirements are transferred from the hard drive to an accessible location. 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/. Always follow University Records management procedures for data disposal.
- Distribution Services schedules a date and time with the inventory contact for pick-up of the property.
- Upon pick-up of the property, Distribution Services reconciles the asset inventory tag number and serial number on the asset against the information provided on the Form BF-PM-F1. If the asset is a computer, Distribution Services will remove the hard drive from the unit.
- Distribution Services forwards the Form BF-PM-F1 to Inventory Services. Inventory Services will then adjust UT Share records accordingly.
- Distribution Services documents pick-up charges, hard drive destruction charges, if applicable, and any other charges to be billed against the

department's cost center on the Form BF-PM-F4 which is then submitted to Business Services for billing.

- Distribution Services sorts the property in the warehouse according to the nature and type of the asset until final disposition.

Section VIII. Removal of University property from University premises.

University-owned property may be removed from the campus and other university facilities for (1) use in conducting official business of the University, or (2) when it is necessary to return equipment to the manufacturer for repair.

- When equipment is temporarily removed from campus, Form BF-PM-F2 Removal of Equipment from University Campus must be completed, signed by the person responsible for the equipment and signed by the Department Head.
- The serial number and inventory tag number assigned to the equipment must be recorded on the Form BF-PM-F2.
- A copy of the Form BF-PM-F2 should be kept on file in the department's records and a copy given to the employee. The copy of the form should be readily accessible and available for review upon request by Inventory Services or any other authorized person.
- When the equipment is returned to campus, the date should be noted on the original form.
- Removing University-owned property from the University for personal use is strictly prohibited.
- When an item of equipment is taken off campus, the individual in possession of the property assumes full financial responsibility for the property.
- The removal of department property from the University campus pursuant to this section does not remove the asset from the department's active inventory list. The department remains ultimately responsible for safeguarding and tracking the asset in an appropriate manner, and the failure of the possessor to return the property upon request will result in the asset being noted as missing or stolen in UT Share.

Effective Date

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



This procedure replaces and supersedes:
 Procedure 2-45 Removal of Property from a Department’s Inventory [July 26, 2016]
 Procedure 2-46 Removal of Equipment from the University Premises [September 16, 2015]

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.

Definitions

Cannibalization: The act of removing or stripping part(s) or component(s) from one identifiable asset for use with or installation into or onto another identifiable asset, often to the extent that the original asset is inoperable or nonfunctional for its original intended use.

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 are as follows:

Description	Threshold Amt.
Tangible Assets	
Furniture and equipment	\$5,000
Vehicles, boats and aircraft	\$5,000
Other capital assets	
<ul style="list-style-type: none"> • Books - Historical, Manuscripts & Rare Publications • Works of art and historical treasures • 	<ul style="list-style-type: none"> • \$0 • \$0
Intangible Assets	
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 and 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 regards 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.

Distribution 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.

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-PM-F6, BF-PGS-F9 and other inventory-related forms, reconciliation of information received from University departments, and maintenance of inventory information on 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.

Stolen Property: Any equipment missing without the express consent of the University as the result of forced removal, burglary, theft, misappropriation or other criminal acts. Stolen property includes assets removed from the University premises 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.

Trade-in: Surplus or salvage property, which in the best interest of the State, is exchanged for new property of the same general type.

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.

Relevant Federal and State Statutes

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

Texas Government Code §2175.304

Texas Education Code §51.213

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 80201_Disposal of UT System Property

UTS 159 Purchasing

UTS162_Disposal of Unclaimed Property

UTS165_UT System Information Resources Use and Security Policy

Form BF-PM-F1_Inventory Transaction Form

Form BF-PM-F7 State Property Transfer Form

Form BF-PM-F8 Asset Transfer Receipt



Form BF-PM-F2 Removal of Equipment from University Campus

Form BF-PM-F4 Work Request Form

Form BF-PGS-F9 Lost or Missing University Inventory Report 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	inventory@uta.edu
Surplus, salvage and abandoned property	Distribution Services	817-272-2191	Distribution_Services@uta.edu
Website access	Office of Legal Affairs	817-272-5577	kphillip@uta.edu