

Memo to: All UH-Downtown/PS Holders
From: Max Castillo, President
Subject: Property Management

UH-Downtown/PS 07.A.01
Issue No. 3
Effective Date: 02/28/00
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1. PURPOSE

This PS states the policy and procedures relating to the proper use, maintenance, and safekeeping of the University of Houston - Downtown's (UHD) state and federal capital property and state designated controlled items.

2. POLICIES/PROCEDURES

2.1 Capital property is defined as property valued at over \$1000.00 and having a useful life of at least one year. State designated controlled items are items of property with a value of \$500 or more that the state has designated a controlled item because of the sensitivity of that item.

2.2 Each Department/Unit Manager will designate a Property Custodian for his/her area. The assignment will be renewed annually, with the *Designation of Property Custodian* form, available from the Property Manager, completed and returned to the Property Manager by August 1 of each year. The Property Custodian will be the Department/Unit Manager unless designated otherwise. All property custodians will receive training from Property Management on the duties and responsibilities of the property custodian.

2.2.1 Any changes in Property Custodian assignments during the year must be communicated in writing to the Property Manager within fifteen days of the change. The Change of Property Custodian form is available from the Property Manager.

2.2.2 When a new Property Custodian is appointed, the departmental inventory must be verified by the new and former Property Custodians. The Department/Unit Manager will forward a signed copy of the *Property Custodian Assignment* form to Property Management designating a new Property Custodian. Property Management will provide a current inventory listing at the time of the change.

2.3 The Property Custodian is specifically responsible for the proper management and control of University property, and should ensure that:

2.3.1 Capital property received by means other than purchase is reported to Property Management;

2.3.2 Property is used for University purposes only;

2.3.3 Property is not loaned, traded, discarded, or moved without approval of Property Management;

2.3.4 Property is not defaced or damaged in any way;

2.3.5 Property is not returned to a vendor as a trade-in without Property Management's approval;

2.3.6 Obsolete and excess property is turned in to Property Management for disposal;

2.3.7 Capital property is used for its intended purpose by properly trained personnel; and

2.3.8 Property within the department is tagged and listed on the departmental capital property inventory.

2.4 The State of Texas requires Property Management to maintain an inventory of University capital property. Items received through standard purchase procedures (purchase orders, direct vouchers, and service center requisitions) are identified by Property Management

through the use of purchasing records and vendor documentation available from the Accounts Payable department. All capital property acquired by the University is to be centrally processed through the Shipping and Receiving department. Receiving reports should correctly identify capital property model numbers, serial numbers and equipment locations. Immediately upon receipt of any capital item by loan or gift, the Property Custodian must notify Property Management. All computer equipment must be delivered to Computer Services, which will record warranty information, tag the items, and deliver to the department.

2.5 Capital equipment purchased from any source of funds is identified with a UHD property inventory tag which bears the agency code of the institution (784) and a unique property inventory number.

2.6 Any surplus capital property, capital property received as a gift, or property on loan to the University from state or private sources is identified with a UHD property inventory tag. In the case of capital property on loan, the tag must be removed before the equipment is returned to the lender.

2.7 Non-capital property is not reflected in the Property Management Inventory. However, for security purposes, it is identified with a silver foil sticker reading "*Property of U of H Downtown.*"

2.8 The Receiving Department is responsible for overseeing the receipt of all capital property acquired by the University. The following process is followed:

2.8.1 Appropriate documentation is secured and reviewed;

2.8.2 All equipment is identified as property of the UHD; numbered property tags are affixed to all capital equipment and non-numbered property tags to all non-capital equipment; and

2.8.3 The Receiving Report is reviewed to ensure it contains the required information, as outlined below, before forwarding to Property Management:

1. Complete description of the item;
2. Manufacturer's name, model number and serial number;
3. Date of receipt; and
4. Building and room number where the item will be located.

2.9 Departments are responsible for maintaining all capital property in their custody. This includes periodic inspections, calibrations, preventive maintenance and repairs as specified by the manufacturer and conventional maintenance practices. In order to assess an item's worth, it is suggested that departments keep a maintenance history on each piece of equipment, including date of work done, a brief description of work done and cost, if any. These records must be kept in the department office and must be made available to the Property Manager on request. Maintenance records are essential in determining current value when capital property is traded or sold.

2.10 When a department loans or transfers capital property to another, a *Capital Property Transfer/Move Request* form, available from the Property Manager, must be completed and forwarded to Property Management. The completed form will have the tag number(s) and a brief description of the item(s) being relocated, as well as the signatures of the Property Custodians from both the lending/transferring department and the borrowing/receiving department. Property Management/ Accounting will sign the bottom line of the form and forward a copy to the originator. If necessary, a copy will be attached to the Physical Plant Work Order to move the item.

2.10.1 University property may be loaned from one department to another only for the purpose of conducting official business, and may not be loaned to individuals or organizations outside the University.

2.10.2 Capital property transfers between University departments are not financial transactions. Forms such as the service center requisitions are not to be used to document transfers. See PS 07.A.02, Acquisition of Capital Property Policy, for specific information on ownership and title.

2.11 All capital property in excess of the needs of the department should be turned in to Property Management so that other departments may use the existing capital property rather than having to make a new purchase. Authorization to move items to Property Management storage is requested on a *Capital Property Transfer/Move Request* form.

2.12 University equipment, once tagged, may be removed from campus only for needed repairs or when necessary to conduct official University business. Requests for Property Management's approval must be made prior to the move, using a *Request to Remove Capital Property* form, available from the Property Manager. Property Management may approve moving equipment to an off-campus location for a specific period of time which may not extend past the end of the fiscal year. If the equipment is needed for a longer time, the employee may renew the request, without physically returning the equipment, by resubmitting the above form prior to the beginning of the new fiscal year. It is important to note that off-campus capital property must be reported on the annual inventory.

2.13 Employees having University property at an off-campus location are responsible for that property and should consider providing insurance coverage under their own personal property insurance. Should the property be lost, stolen, damaged or destroyed due to employee misconduct or negligence, the employee must reimburse the University, whether it be by an insurance check or personal funds.

2.14 The Property Custodian is responsible for reporting lost or stolen capital property to:

2.14.1 Campus Police, by a preliminary telephone report to initiate an investigation;

2.14.2 Property Management, by telephone report, will flag the items on the inventory as lost or stolen capital property. Capital property will be removed from the inventory if unrecovered in accordance with State guidelines.

2.15 The University is required to report capital property losses to the State Auditor. If the State Auditors

Office determines that an employee is responsible for the loss of the capital property, the employee will be required to reimburse the State. Any lost or stolen capital property that is subsequently recovered should be reported immediately to Property Management and the UHD Police. The Property Manager will report the recovery to the State Auditor. Any unexplained loss of non-capital equipment or expendable supplies should be reported directly to the Campus Police by the Property Custodian.

2.16 The University is required by state statute to conduct an annual inventory of all capital property on campus. See PS 07.A.03, Annual Inventory of Capital Property, for specific procedures.

2.17 The University's internal auditors or the State Auditor's Office may inspect the Property Management records and the physical location of capital property, at any time, to verify their accuracy.

2.18 Employees failing to comply with this policy may be considered negligent and may be liable for any resulting loss or damage to University property.

3. REVIEW AND RESPONSIBILITIES

Responsible Party (Reviewer): Property Manager

Review: Annually



President

Policy History

Issue #1: 03/23/94

Issue #2: 08/09/99

