

Property Control Procedures Manual



University of Montevallo

August 2017

University of Montevallo
Station 6060
Montevallo, AL 35115

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INTRODUCTION

The Federal Government, the State of Alabama, and the Board of Trustees have established specific policies concerning the acquisition, control, and disposal of equipment. This Property Control Procedures Manual is prepared in compliance with those regulations including Title 36 and 41 of the Alabama Code 1975 and University of Montevallo Policies 03:030 and 03:035.

The procedures in this manual are applicable for all activities of the University of Montevallo.

GENERAL

11 DEFINITIONS

- A. **Equipment** - Any apparatus, instrument, appliance, item of machinery, or piece of furniture costing \$2,500.00 or more and an estimated useful life of greater than one year. Any item which is a structural component of or is permanently attached to a building or other structure is not equipment.
- B. **Department** - A department is defined for the purpose of this manual as any budgeted unit of the University or any other function or activity operating under the auspices, sponsorship or control of the University's Board of Trustees.
- C. **Department Head** - Any officer, dean, chairperson, manager or similar employee charged with the supervision of a department (as defined above).

12 PURPOSE

The purpose of this manual is to provide procedures for identifying, controlling, disposing and assigning responsibility for equipment in use at the University.

13 RESPONSIBILITY

Each **Department Head** is responsible for the equipment assigned to his/her department. This general responsibility includes responsibility for control, accountability, inventory, and maintenance of all equipment purchased for, transferred to, donated to or assigned to the department.

The **Purchasing Department** is responsible for acquiring equipment and for supplying the documentation necessary to allow the tracking and recording of the property..

The **Accounting Department** is responsible for:

- Tagging equipment
- Making periodic inventories of University equipment
- Maintaining the master file of University equipment
- Recording accounting entries for equipment transactions.

The **Physical Plant** is responsible for:

- Providing other departments with forms referred to in this manual
- Disposing of or re-utilizing equipment turned in-by a department as surplus

PROCEDURES

2.1 PROCUREMENT

The basic philosophy of the University regarding equipment is to procure any item that is justified as essential to the performance of a required task. This philosophy operates within the framework of budgetary constraints imposed by the State of Alabama and purchase priorities determined by the University Administration or the Board of Trustees. Procurement is made by the following methods:

- A. **Purchase** - The purchase of equipment costing \$2,500 or more, from outside vendors is made in accordance with the University's standardized purchasing procedures. Equipment purchases should normally be charged to expenditure account code 7620. The Accounting Department will normally account for purchased equipment using data supplied by the Purchasing Department.
- B. **Transfer** - By mutual consent, one department may transfer equipment to another department. In all cases, these transfers must be reported in writing to the Accounting Department using the Property Control form **signed by both departments**, for review and fixed asset accounting requirements. Once approved, the Accounting Department will forward approved Property Control form back to the initiating department to include with a physical plant work order request to relocate equipment/capital asset. If the proper forms are not submitted, the original department will retain responsibility for the equipment transferred. Temporary inter-departmental loans of equipment (not to exceed 60 days) need not be reported. Each department should, however, maintain a written record of the whereabouts of loaned equipment.
- C. **Manufacture** - Any equipment (as defined herein) manufactured or fabricated by any department should be reported in writing by the acquiring department to the Accounting Department using the Property Control Form. The acquiring department should report the actual costs of manufacture as the "Unit Cost." The Accounting Department will review the unit cost for proper accounting requirements and return the approved Property Control Form to the acquiring department for inclusion in the work order request to the Physical Plant Department for relocation or setup.
- D. **Donation** - Direct acquisition of equipment by a department through donation should be reported in writing by the acquiring department to the Accounting Department using the Property Control Form. The estimated fair market value of the donated equipment should be reported as "Unit Cost", and the report should include the name and address of the donor (to insure proper recognition of the gift), building and room number of the donated equipment's present location and the departmental organization code of the department the equipment should be inventoried under.
- E. **Grants Equipment** - Equipment related to externally sponsored grants or research is subject to the procedures in this manual and to other more stringent control procedures prescribed by the external sponsors. Any movements of this type of equipment should be approved in advance by submitting the Property Control form to the Accounting Department for review.

IDENTIFICATION

3.1 TAGS

Positive identification of equipment is accomplished by the permanent affixing of small tags to each item of equipment. The identification tags will be of durable, material, with a self-adhesive backing. Each tag will have a unique, permanently stamped identification number.

3.2 RESPONSIBILITY

The Accounting Department is responsible for tagging all equipment. The Accounting Department should be notified when an item of equipment needs to be retagged or when an item of new equipment is still not tagged more than 90 days after its acquisition.

3.3 STANDARD TAG PROCEDURE

To facilitate the identification of equipment, tags will be **front-mounted** on all equipment in such a manner that a person operating or using the equipment will have the tag in full view. Exceptions to this general rule are as follows:

- A. Equipment having a manufacturer's data plate - mount tag near plate
- B. Swivel chairs - mount tag in middle of back chair frame
- C. Other chairs - mount tag in side right rear leg
- D. Tables - mount tag on underside of table top near front edge
- E. Desks - mount tag on the right side of knee space
- F. Rented or leased equipment - do not tag

3.4 UNTAGGED ITEMS

Identification tags will not be affixed to carpets, drapes, paintings, portraits, specimens, collections, films, mattresses, items of extremely small size, or items which would be defaced by the attachment of a tag. Items in this category will be assigned a property control number and will be accounted for in the same manner as tagged items.

DISPOSITION OF EQUIPMENT

4.1 ACCOUNTABILITY

As previously stated, the department head is held responsible for all equipment assigned to his/her department.

4.2 DISPOSITION OF EQUIPMENT

University equipment may be disposed of in the following manners:

- A. **Obsolete, excess to the department needs, unsafe, unserviceable** - This equipment must be turned in to the Physical Plant. **The department should never discard any equipment.** The UM Property Control form, complete with **ALL** signatures, should be used to initiate this process. This form must be sent to the Accounting Department for determination of any remaining asset value and proper accounting entries required. Accounting will submit the approved form back to the department to include with the work order submission to the Physical Plant Office to schedule pick up and disposal of the equipment.

- B. **Trade-In** - Under legislation passed by the 1979 legislature, University equipment may be traded in when purchasing new equipment. Department heads or Purchasing must report any equipment considered for trade-in to the Accounting Department using the Property Control form for determination of any remaining asset value and proper accounting entries. **Never attempt to transfer an existing tag to new equipment.**

University policy requires supporting documentation from vendors be attached to the Property Control form for equipment traded-in. Documentation for **both** the equipment being traded-in **AND** the equipment being traded for are required.

Required documentation for equipment being traded-in includes: UM Property Tag Number, cost of equipment, description and trade-in value received.

Required documentation for equipment being traded for includes: Purchase Order Number, cost of equipment being purchased, and description.

If the proper supporting documentation is not submitted, the equipment being traded-in will remain on inventory and the department will retain responsibility for the equipment.

- C. **Loss, Theft, Destruction, Other Cause** - When an item of University equipment is lost, stolen, destroyed, or missing through any other cause, the department head should request relief from responsibility for that equipment by completing the Property Control form and submitting to the Accounting Department within 10 days. If the request for relief for responsibility is not submitted, or if the request is disapproved, the department concerned will retain responsibility for the equipment.

An employee may be held responsible for the value of any item of equipment lost, stolen, damaged or destroyed through his/her negligence.

In requesting relief from responsibility, an **explanatory letter** containing all pertinent details, signed by the responsible person, department head, and dean or division head, **must** be attached to the Property Control form.

Also, in the case of theft, a copy of the **report by campus police** or the law enforcement agency having jurisdiction **must** be attached to the Property Control form.

- D. **Other Disposable Categories** - Department heads may request relief from accountability by submitting the Property Control form to the Accounting Department for equipment in the following categories: obsolescence, unrepairable, no longer usable by department but still functioning. **This equipment must also be turned in to the Physical Plant using same procedures as section 4.2.A above.**

4.3 DISPOSITION OR RELIEF FROM ACCOUNTABILITY OF EQUIPMENT -

- A. **Permission** - In order for a department head to dispose of equipment or be relieved from accountability for any reason, permission must **first** be granted from the dean/division head of the appropriate division and the Controller.
- B. **Hazardous Equipment** - Applies to all equipment considered potentially hazardous per University policy that is being declared surplus (moved to property storage facility for sale) or moving off campus. Each department is responsible for decontamination of their equipment prior

to disposal. **No** Property Control Form with equipment listed as hazardous will be **processed** until all required preparation and paper work is complete.

It is the **responsibility of each University department** to insure all required preparation and paperwork is completed, including completing the appropriate sections of the Property Control Form.

If the **properly completed paperwork** is not submitted, the equipment will remain on inventory and the department will retain accountability for the equipment.

INVENTORIES

5.1 PERIODIC INVENTORY

The University is required by state law to make a periodic count of all University equipment valued \$2,500.00 or more. The Accounting Department is responsible for assuring compliance in this area.

5.2 DEPARTMENTAL COOPERATION

In order to facilitate the counting procedure, and to keep disruption of departmental operations to a minimum, each department shall cooperate with the Accounting Department in making the periodic count.

5.3 EQUIPMENT NOT FOUND

It is the responsibility of each department head to reconcile the list of all equipment not found during these periodic counts in a timely manner. Items of equipment that have not been found during periodic counts of University equipment for a period of two (2) or more years must be located by the user department. Any equipment that cannot be located after an exhaustive search must be listed on a Property Control form by the University department and written off as "Lost." The **department head is responsible** for final accounting of items of equipment not found on inventory.

MISCELLANEOUS

6.1 CHANGES IN LOCATION OF EQUIPMENT

Intradepartmental movements of equipment (floor-to-floor, building-to-building, etc.) must be reported in writing by the department to the Accounting Department using the Property Control form.

6.2 EQUIPMENT MODIFICATIONS

Any significant modification or repair of existing University equipment which materially affects the value of the equipment should be reported to the Accounting Department on the Property Control form.

6.3 USE OF EQUIPMENT

University equipment is to be used solely for University activities or for activities approved and sponsored by the University. The loan of equipment to employees for **personal use is expressly prohibited**.

6.4 PERSONAL PROPERTY

The provisions of this manual do not apply to equipment which does not belong to the University. Any person bringing personal property onto University premises retains sole responsibility for such personal property. The University is not responsible for the loss, theft, or destruction of non-University property.

University of Montevallo

Property Control Form

See reverse side for instructions

A. REQUEST TO: (Check one)

- Transfer the following property to another department account number – location remains the same.
- Transfer the following property to another department account number AND change location.
- Change of location – department account number remains the same.
- Record property acquisition by means other than purchase – (donation, in house manufacture, etc.)
- Relieve the following property from responsibility/accountability due to:
 - Trade in
 - Loss
 - Theft
 - Destruction
 - Other Cause
- Relieve the following property from responsibility/accountability due to:
 - Obsolescence
 - Un-repairable
 - No longer usable by department but still functioning.

B. HAZARDOUS EQUIPMENT: Check the box to the right of “Full Description of Item” below if any item listed has been used in conjunction with Hazardous, Radiological or Biological materials? Has the equipment been decontaminated or render safe? Yes, No.

C. GRANT EQUIPMENT: Please check the box to the right of “Full Description of Items” below if any item listed was purchased with a grant. If purchased under a grant, has this request been approved by Grants and Contracts Accounting?

D. Does the Property Office need to make arrangements to pick up or move this property? Yes, No.

UM Tag No.	Full Description of Item	Check if Hazardous	Check if Grant Funded	Current Location Bldg./Room No.	New Location Bldg./Room No.	Unit Cost

E. List name and phone number of contact person and building/room number locations for both Current Location and New Location of the property below:

***NV: Mark this box if the item is obsolete, un-repairable, or has no value.**

	Losing Department	Gaining/Using Department
Responsible Department Name		
Signature of Department Head		
Signature of Dean/Division Head		
Effective Date of this Action		
Contact Person		
Phone No. of Contact Person		

If NV is marked the Dean or Division Head is certifying that the item has no value. DO NOT WRITE BELOW THIS LINE

	FOR RELIEF FROM ACCOUNTABILITY	
Approved	Disapproved	Date
Property Manager	Controller	Net Asset Value

GENERAL INSTRUCTIONS

Note: The responsible Dean or Division Head **must** sign the Property Control Form. The Dean or Division Head is responsible for all equipment within a College or Division.

Never discard **any** equipment whether listed on inventory or not. The Physical Plant will arrange removal of all equipment **after** the Property Control Form is signed and processed. Type or print the names under signature line.

Forward the completed Property Control Form with all required signatures to the Accounting Office for processing. **Never** send the Property Control Form directly to Physical Plant for pickup.

SPECIFIC INSTRUCTIONS FOR COMPLETION OF PROPERTY CONTROL FORM

Each number below corresponds to the number side of this form.

A. REQUEST TO:

1. For use when transferring usable equipment from one department to another but the equipment remains in the same location. Department Head **and** Dean or Division Head from **both** losing **and** gaining departments must sign the Property Control Form.
2. For use in transferring usable equipment from one department to another and the equipment location changes also. Department Head **and** Dean or Division Head from **both** losing **and** gaining departments must sign the Property Control Form. List the name and phone number of contact person as well as the building and room numbers of **both** the present and new location. **DO NOT** use this line when deleting equipment from Department inventory.
3. For use in changing the physical location of equipment within a department. Both Department Head **and** Dean or Division Head must sign the Property Control Form. List the name and phone number of contact person as well as the building and room numbers of **both** the present and new locations.
4. For use in recording and placing on inventory and equipment acquired by means other than purchase. **Attach** any additional information such as gift letters, letters of receipt and pertinent information such as model numbers, serial numbers and value in dollars.
5. For use when requesting relief from responsibility for missing and traded equipment. In this case **always attach** a copy of the **Police Report** and/or a statement of circumstances describing loss signed by the responsible person, Department Head, **and** Dean or Division Head. For equipment **Traded in**, attach documentation showing the **trade in allowance** being received for each piece of equipment being traded.
6. For use when discarding equipment and requesting relief from responsibility. Fill out the Property Control Form, send the completed form to the Accounting Office. The Physical Plant will arrange removal from you department. **Never discard** any equipment **or** send the Property Control Form directly to Physical Plant for pickup and removal. Please allow a reasonable amount of lead time. Both Department Head **and** Dean or Division Head must sign the Property Control Form. **List** the name and phone number of contact person as well as **both** the building and room numbers of the equipment's present location.

B. HAZARDOUS EQUIPMENT

Applies to all equipment considered potentially hazardous per University policy that is being declared surplus (moved to property storage facility for sale) or moving off campus. Each department is responsible for decontamination of their equipment prior to disposal. **No** Property Control Form with equipment listed as hazardous will be **processed** until all required preparation and paper work is complete.

C. GRANT EQUIPMENT

Applies to all equipment purchased with federal, state, or private grants. It is each department's responsibility to contact Grants and Contracts Accounting for approval to insure all stipulations in the grant have been met. **No** Property Control Form with equipment listed as being purchased with a grant will be processed until approval has been obtained and documentation has been completed.