



CSU STANISLAUS

PROPERTY CONTROL PROCEDURE MANUAL

Property Control Responsibilities

The Property Control Office reports to the Director of Procurement Services, which is encompassed in the Financial Services area under the direction of the Assistant Vice President for Financial Services and the Vice President for Business and Finance. The Property Control Office is responsible for maintaining a two year physical inventory cycle, tagging University and Foundation Donated property, maintaining accurate inventory records, adding financial data to the property system assets, and pick-up and disposal of surplus property.

The Property Control Office is located in the Mary Stuart Rogers Educational Services Gateway Building Room MSR030/MSR270B. The phone number is 667-3986, Fax 667-3076.

General Guidelines Concerning Capital Equipment

Acquisition Section | Maintenance Section | Disposition Section | Property Procedures | Definitions | Conclusion

Acquisition

University Property | Property Returned to the Vendor | Government Furnished Property | Donated Property | Personally Owned Property | Software

University Property

When ordering capital property on a Purchase Requisition, what expenditure sub code should be used?

If the unit cost of an item is \$5000.00 or more (inclusive of sales/use tax and freight), and has a life expectancy of two years or more, it is considered Capital property and will be classified as a capital expenditure using the correct account codes in the Peoplesoft Database. Any purchase of an accessory item meeting this criteria will also be classified as a capital expenditure. Accessory items not meeting this criteria will be classified as a noncapital expenditure using the correct Peoplesoft account codes.

Note: Accessory items, meeting the capital property definition, purchased after the host unit has been tagged with an CSUS PC# must reflect the host unit's CSUS PC# in the description of the purchase order.

Exception: If a department purchases a computer, monitor, and keyboard all on the same purchase order, all three of these items will be capitalized if the aggregate cost is \$5000.00 or more.

However, if you purchase these items on separate purchase orders the capital equipment definition will apply to each item separately.

How is non-capital or minor property classified?

If the unit cost of an item is less than \$5000.00, or the life expectancy is less than two years, it is considered non-capital property and should be classified as a non-capital expenditure using the correct Peoplesoft account codes.

For Equipment assigned to instructional departments, audiovisual centers and/or learning laboratories, and all functions in the ancillary support sub-program of the Academic Support program is included in the "instructional" category with a acquisition cost of \$500.00 will be tagged and recorded.

Some state property may pose a special risk of loss due to its marketability and portability. Items that cost less than \$500.00 that is considered sensitive, attractive, high risk or easily pilfered may be tagged regardless of cost. These items may include: videocassette recorders, cameras, computer printers, power tools, firearms, musical instruments, etc. Such items may be tagged at the request of the using department or at the discretion the Property Control office.

Replacement parts should also be coded as expense or non-capital regardless of cost or life expectancy.

Property Returned to the Vendor

May I return property to the vendor for a refund?

You must inform Purchasing immediately in writing noting the purchase order, description of the property being returned, and the reason the item is being returned. A copy of this letter must also be forwarded to Property Control.

Note: If the equipment has already been tagged with an CSUS PC# notify Property Control immediately to remove the tag.

It is the responsibility of the department to make sure the vendor sends a credit refund for the returned item(s).

Government/Contract/Grant Furnished Property

Does the Government furnish property to the University for use?

The Government often furnishes property to the University to perform specific contract requirements. This property can "ONLY" be used on the contract or grant it is intended for unless otherwise stated. Upon completion or termination, the Administrative Contracting Officer or Grants Officer of that particular agency, should provide written authorization to:

- A. Transfer title to CSU Stanislaus.
- B. Request disposition instructions from the Government agency.
- C. Transfer property to a follow-on contract or grant.
- D. Transfer property to another institution.

Note: These are possibilities the Government can exercise; however, the Government is not limited to these options.

Government Furnished Property needs to be handled with extreme care. Accurate records need to be maintained as to the use, location, and maintenance of this property. The Government may schedule periodic audits of their property whenever they desire to fulfill contract requirements.

Please notify Property Control when Government Furnished Property has been received.

Donated Property

What do I do if I receive donated property?

Donated property must be processed through the CSU Stanislaus Development and University Relations Office. Should you receive donated property, please inform this office to fill out a GIFT-IN KIND ACCEPTANCE FORM which is processed and routed to Property Control.

Personally Owned Property

May I bring personally owned property to the campus?

CSU Stanislaus has no interest nor accepts any responsibility for this type of property if lost or stolen. It is recommended that your Department Head be provided with a listing of all personally owned property to avoid the possibility of it being mistaken for CSU Stanislaus property. Should there be confusion, the proof of ownership will lie with the individual, not CSU Stanislaus. Marking your property will also help for identification purposes.

Software

Does software get capitalized?

Software is expensed except for major system purchases of software greater than \$5,000.00 per package.

Maintenance Section

Tagging of CSU Stanislaus & Non CSU Stanislaus Property | Physical Inventories | Missing Property | Stolen Property | Movement of Property | Taking Property Home for University Use

Tagging of CSU Stanislaus & Non CSU Stanislaus Property

How does property get tagged?

Property Control is responsible for tagging all capital and noncapital property but the Campus Receiving Department does the physical placing of tags on all equipment received on campus. Departments receiving capital or noncapital property that has not been tagged, should notify Property Control immediately.

Physical Inventories

Who inventories department's property?

Property Control conducts inventories on a random two-year cycle basis. As departments are scheduled for inventory, Property Custodians having property assigned to or located in the scheduled building or locations (per the property records) will be notified by letter of the inventory date. Once the entire cycle of

locations has been completed, departments will receive two completed inventory reports based on all property being found within the department. One report is to be signed by the custodian and returned to Property Control and the second copy is to be retained by the custodian.

Missing Property

What happens during the formal inventory conducted by Property Control if property cannot be located?

Property Control will prepare a Physical Inventory Discrepancy memo to the Property Custodian after the entire audit of the department has been completed. Each department will be given 14 days to locate the property that was "Not Found." If the department is still unable to locate the property after the 14-day grace period, the department will note that the property is missing on a "Report of Missing Items Form". When Property Control receives the report they will forward it to the CSU Stanislaus Department of Public Safety (DPS) for investigation.

Stolen Property

What if my property has been stolen?

Notify CSU Stanislaus Department of Public Safety (DPS) immediately of the loss. DPS will investigate and record on a police report the nature of the loss. The department should notify Property Control also.

Movement of Property

How do departments move, transfer, or dispose, property?

Complete a Property Surplus/Transfer Report form. After completing the form; forward it to Property Control for necessary verifications prior to carrying out your request.

Forms are available from the University Stores Supply Services at a minimal charge or can be downloaded at: <http://www.csustan.edu/financialservices/PropertyControl/>

Uses of this form include:

- A. Intradepartment - Movement of property from building to building or room to room within the same department.
- B. Interdepartment - Transfer ownership of property from one department to another department.
- C. Disposal/Salvage - Sending property to surplus because of no further use or it's damaged beyond repair.

Note: A separate form must be completed for each type of transaction.

Taking Property Home for University Use

May CSU Stanislaus personnel take property off-campus for work related tasks?

Removal of property may be authorized only after completing a Property Check Out Form and forwarding a copy to Property Control. The property must be used for University related purposes. The form is a three-part form. The distribution is as follows: White Copy for the department, Canary Copy for the recipient, and Pink Copy for Property Control.

Note: The Department of Public Safety (DPS) periodically questions individuals being seen removing property off-campus. Presenting the canary copy of this completed form to DPS will authorize your need for the property.

Disposition Section

University Property Disposition | Cannibalization of Property

University Property Disposition

How should departments dispose of property not being used?

If you have property that is not being utilized you should complete a Survey/Transfer Report form to arrange for the property to be sent to the surplus warehouse. Never trade, cannibalize, or dispose of property purchased without approval from the Property Control Department.

What does Property Control do with the disposed equipment?

The order in which the disposal of surveyed property is as follows:

1. For equipment in working order:
 - a) Offer internally first
 - b) Offer to all other CSU campuses next IF the item is of major value (purchase price \$50,000+) is not obsolete, and has a useful life left. The receiving campus would be responsible for all costs of transportation.
 - c) Offer donation by lot to local state-funded school districts
 - d) Conduct a sealed bid sale, either by lot, or per item
 - e) Offer to Goodwill
 - f) Offer to junk dealer

2. For equipment not in working order:
 - a) Offer internally first
 - b) Offer donation by lot to local state-funded school districts
 - c) Recycle
 - d) Destroy and place in campus dumpsite

Prior to removal off-campus, all equipment must have the property tags removed or obliterated. All revenue received from sealed bid must be taken to the University Cashier's Office where it will be recorded as miscellaneous revenue and remitted back to the State. The only exception is when the sale is a one step in a series of transactions, which replaces an old asset with another asset (such as vehicles). The revenue may be retained by the custodial department. A memo of verification from the department custodian must be on file with the Property Survey Report.

Does the Campus have a Property Survey Board ?

The management of our University's property requires the engagement of all areas of the campus. A Property Survey Board has been developed to assist Property Control in the function of oversight in the disposition process of the University's property. To the extent possible, the Property Survey Board will include a representative from each area of campus (Academic Affairs, Business & Finance, Student Affairs, Development & University Relations) as well as a member from Public Safety. The Property/Records

Coordinator will serve as Chair of the Board. The Chair will hold semi-monthly meetings with the Board to review the disposition of changes to property and report to the Vice President of Business & Finance on a periodic basis. A minimum of two members of the Board will approve all transactions.

Cannibalization of Property

May I disassemble the property when I no longer need it?

This process is called cannibalization. Be sure to notify Property Control so the property can be deleted from the property system. Failure to do so will result in the property not being found during the next physical inventory and reported to DPS as lost or stolen.

Property Procedures

What written procedures are available for property control?

Procedures are performed in accordance with the current guidelines set forth in the State Administrative Manual (SAM) sections 8600 through 8672 , The California State University Administrative Manual (SUAM) sections 2000 through 3999 and CSU Executive Order 649, Management Memo 95-22 Safeguarding State Property.

Definitions

Cannibalization - The act of disassembling or dismantling property to the point of making the property unable to perform for its intended use.

Capital Property - Items with a unit cost of \$5000.00 or more (inclusive of sales/use tax and freight) and a life expectancy of two years or more.

Exception: If a department purchases a computer, monitor, and keyboard, all on the same purchase order, all three of these items will be capitalized if the aggregate cost is \$5000.00 or more. However, if you purchase these items on separate purchase orders the capital property definition will apply to each item separately.

Contractor-acquired Property - Property acquired or otherwise provided by a contractor for performance of a contract, to which the contractor holds title unless stated otherwise in the terms and conditions of the contract.

Fabricated Property - Property that is constructed by combining or assembling modular components and/or materials into one identifiable unit. The finished product must have a unit cost of \$5000.00 or more and a life expectancy of two years or more. All materials regardless of cost will be capitalized.

Government/Grant/Contract Furnished - Property directly acquired by the Government and subsequently made available to the contractor.

Non-capital Property or Minor Property - Property with a unit cost of less than \$5000.00 or a life expectancy of less than two years that is in the instructional equipment related category.

Personally-owned Property - Property belonging to an employee or student and being used at CSU Stanislaus for personal or business use.

Property Control - The office responsible for recording, tagging, inventorying, disposing and selling of all University and Foundation Donated Property.

University Property - Property to which title is vested in the University whether secured with general University funds or funds derived from extra mural sponsors.

Conclusion

This procedure manual addresses some of the most often asked questions regarding Property at CSU Stanislaus. However, we realize that it will not answer all the questions you might have. If you have additional questions, or would like help in solving a property related problem, please contact Property Control at 209-667-3986 or visit our web site at:

<http://www.csustan.edu/FinancialServices/PropertyControl/>

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