

Subject: Property Control Procedures	Category: Property Management	Approval:
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## PURPOSE

It is the policy of the California State University (CSU) that each campus shall have procedures in place to ensure that University property is properly valued, maintained and safeguarded; that all University property transactions (acquisitions, disposals, etc.) are recorded in an accurate and timely manner; and that all University property procedures are followed. Each campus must establish written procedures that implement this policy. *ICSUAM Administration of University Property; ICSUAM 01401.00*

## OVERVIEW

The CSU Administration of Property Procedures are designed to maintain uniform accountability for CSU property. These procedures are used to provide accurate records for the acquisition, maintenance, control, and disposition of property. The combination of accurate accounting, records and strong internal controls must be in place to protect against theft and detect the unauthorized use of CSU property. All employees of the campus community have an obligation to safeguard CSU property.

## DEFINITIONS

For the purpose of this policy and these procedures (See Section 300), property may include but is not limited to the following:

- Equipment
- Intangible assets
- Land and land improvements
- Works of art and historical treasures
- Library books and materials
- Construction work in progress (CWIP)
- Buildings and building improvements
- Improvements, other than buildings
- Infrastructure
- Leasehold improvements

All equipment funded by externally-sponsored programs is also subject to Sponsored Program Administration: Externally-Funded Equipment & Property Management Policy.

## RESPONSIBILITY

The Chief Financial Officer (CFO) of each campus of the CSU must ensure the following:

- Appropriate resources are allocated and responsibility assigned for proper receiving, tagging, recording, securing, maintaining, tracking, inventorying, and disposal of property.
- Procedures are implemented for the timely recording of all property based on normal entry cycles.
- Procedures are implemented for conducting physical inventory.
- Procedures are implemented for the timely disposal of all property.
- Procedures are implemented that require appropriate approval of disposal of property and that all rules and regulations are followed in the disposal of property.
- All regulations for property obtained from a federal or state grant are adhered to in accordance with the respective requirements.

Campuses utilize the CSU Capital Assets Guide as guidance for all property as it relates to capitalized costs, depreciation, methods, impairment and other such issues.

## **EQUIPMENT**

Refer to “CSU Administration of University Property-Equipment Procedures” for definitions and procedures.

## **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)
- An estimated life of greater than one year
- Not permanently attached to or incorporated in CSU building and grounds
- Used to conduct CSU Stanislaus business
- Must be tagged and inventoried

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.

Custodial Department – The campus department assigned ownership to the property.

Government/Grant/Contract Furnished - Property directly acquired by the Government or a grant/contract and subsequently made available to the contractor

Information Assets – Information assets are electronic records as defined and must be managed in accordance with *ICSUAM Policy 8000 series-Information Security*.

Non-capital Property or Minor Property - Property with a unit cost of less than \$5000.00.

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 Property.

Property Survey Committee – Each campus must have a campus defined Property Survey Committee responsible for determining whether the disposal of surplus property is in the best interest of the State.

Sensitive Equipment – Sensitive equipment is equipment that has high risk of theft or loss based on an analysis of cost and risk by the campus. These items (computer devices, weapons, etc.) must be tracked, tagged and inventoried regardless of cost.

Sponsored Programs – All equipment funded by externally-sponsored programs is also subject to Sponsored Program Administration: Externally-Funded Equipment and Property Management Policy.

University Property - Property to which title is vested in the University whether secured with general University funds or funds derived from other sources.

## **PROCEDURE ACQUISITION AND PHYSICAL INVENTORY**

### **1. Acquisitions of Equipment**

Equipment may be acquired by purchase order, donation, transfers and fabrication and will be added to the inventory record, tracked, tagged and inventoried as appropriate. The cost of the equipment includes the purchase price, applicable taxes and freight, and any other costs associated with preparing the equipment for its intended use.

### **2. Asset Management System**

The asset management system is the official record for capitalized equipment, including non-capitalized equipment, including federally-funded equipment. The information entered into the asset management system includes, the item description, date of receipt, purchase order number, location of the asset, cost information and other financial information. Other criteria includes make, model number, serial number, campus identification number (tag number) and asset class for depreciation and reporting.

### **3. Identification of Campus Equipment**

All capitalized and non-capitalized campus equipment must be tagged or marked with a unique identification number which is to be recorded in the asset management system and also on all property control documents. The identification number (or property number) will be directly applied to the actual unit unless its size or nature prohibits application.

CSU Stanislaus property will be tagged in the Receiving Department before it is distributed to the department. If property is delivered to another physical location other than Receiving, it is the responsibility of the custodial department to contact Property Management.

#### **4. Physical Inventory**

A complete physical inventory of all CSU Stanislaus capitalized and non-capitalized property (deemed taggable) must be performed once every 2 years. This includes capitalized federally-funded equipment *per ICSUAM 11003.13 Externally-Funded Equipment and Property Management Policy*.

To insure proper segregation of duties, the physical inventory shall not be conducted by the custodial department. Discrepancies will be investigated by the Department of Public Safety before the inventory is completed. The completed inventory is reviewed and approved by management.

#### **5. Off Campus Use of Property**

Removal of property may be authorized by the appropriate administrator only after completing a Property Check Out Form. The property must be used for University-related purposes.

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

#### **6. On Campus Use of Personal Property**

CSU Stanislaus has no interest nor accepts any responsibility for personal property if lost or stolen. It is recommended that your Department 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.

#### **7. Loss Prevention**

Departments with equipment susceptible to theft or loss must implement one or more of the following protection measures:

- Ensure CSU equipment identification tags or permanent markings are visible on the equipment.
- Establish an internal check out/check in system for department equipment.

- Lock office equipment to desk or stands.
- Utilize card access, a security room or closet to store high risk equipment.

## **8. Movement of Property**

When property is moved, a survey or transfer form must be completed by the custodial department. After completing the form, forward it to Property Control for necessary verifications prior to carrying out your request.

Uses of this form include:

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

## **9. Missing, Lost, Stolen or Vandalized CSU Property**

In the event that equipment becomes missing, lost, stolen or vandalized, notify CSU Stanislaus Department of Public Safety (DPS) and Property Control 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. For incidents of off-campus property, the local police department shall be notified and a police report filed. In all cases of theft or loss of information assets or equipment containing information assets, the OIT security department must be notified immediately upon discovery.

# **PROCEDURE DISPOSITION**

## **1. Disposition of Campus Property**

A survey form must be completed for equipment that a department deems as surplus. On the form the custodial department will advise on the present condition, current use or any special requirements of the item when forwarding the form to Property Control for disposition.

## **2. Vehicles**

The certificate of title (pink slip) must be kept on file for all campus vehicles. All sales and trade-in information must be retained by Property Control once the vehicle has been disposed.

## **3. Information Assets**

Refer to *ICSUAM Policy 8065.00 Information Asset Management*

#### **4. Federally-funded Equipment**

Refer to Externally-Funded Equipment and Property Management Procedure

#### **5. Dispositions**

To ensure proper internal controls and segregation of duties, no item of CSU property shall be sold, transferred or disposed of outside the campus without prior approval of the campus defined Property Survey Committee.

For prohibited practices refer to *Public Contract Code 10334(a) and Prohibited Practices- Appropriation of State Property or Services*

Once property has been transferred out of departmental control, the Property Management office determines what will occur.

If the property/equipment is in working order, it is handled as follows:

- Offer internally first posted on the surplus property web page Virtual Exchange Reuse Center.
- Trade-in property.
- Conduct a sealed bid sale, either by lot, or per item. Assets will be sold using Public Surplus online Auction Service.
- Offer donation by lot to local state-funded school districts.
- 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.

If the property/equipment is not in working order, it is handled as follows:

- Offer internally first
- Offer donation by lot to local state-funded school districts
- Recycle or salvage
- Destroy and place in campus dumpsite

Prior to removal off-campus, all equipment must have the property tags removed or obliterated. Proceeds from any sales will be distributed as follows: All revenue received from sealed bid or auction web site will be taken to the University Cashier's Office where it will be recorded, deposited as miscellaneous revenue and remitted back to the custodial department.

Support Services commission rates will vary based on the value of the asset being sold. Items up for auction will be stored and secured in the Shipping/Receiving

Warehouse until sold or completion of auction. Auction items shall be posted on the Auction website for no longer than 7 days. CSU Stanislaus may collect sales tax, unless buyer has provided a valid tax-exempt certificate to Stanislaus State prior to payment.

## **RESOURCES AND REFERENCE MATERIALS**

Administration of University Property; ICSUAM 01401.00

2 CFR 200 –Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

CSU Executive Order No. 0409 Delegation of Authority; Purchase, Lease, Sale, and License of Personal Property

Executive Order 0644 Intellectual Property; Campus Policies

Executive Order 0676 Delegation of Authority for Gift Evaluation and Acceptance

Executive Order 0691 Delegation of Authority; Motor Vehicle Inspections

CSU Capital Assets Guide

