

Property and Inventory Control Department

Policies and Procedures Manual

University of South Alabama February 2024

Table of Contents

INTRODUCTION 1

GENERAL 2
1.1 Definitions
1.2 Purpose 2
1.3 Responsibility 2
1.4 Organization 2

PROCEDURES 3
2.1 Procurement 3
A. Purchase 3
B. Transfer 3
C. Manufacture 3
D. Donation 3
E. Grants Equipment 3

IDENTIFICATION 4
3.1 Tags 4
3.2 Responsibility 4
3.3 Standard Tag Procedures 4
3.4 Untagged Items 4

DISPOSITION OF EQUIPMENT 5-6
4.1 Accountability 5
4.2 Disposition of 5
A. 5
B. Trade-In 5
C. Loss, Theft, Destruction, Other Cause 5
D. Other Disposable Categories 6
4.3 Disposition of Relief from Accountability of Equipment 6
A. Permission 6
B. Hazardous Equipment 6

INVENTORIES 7
5.1 Periodic Inventories 7
5.2 Departmental Cooperation 7
5.3 Equipment Not Found 7
5.4 Remote Capital Asset Inventory Management 7

MISCELLANEOUS 7
6.1 Changes in Location of Equipment 7
6.2 Equipment Modifications 7
6.3 Use of Equipment 7
6.4 Personal Property 7

INTRODUCTION

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

The policies and procedures in this manual are applicable for all activities of the University of South Alabama with the exception the University of South Alabama Health System which has their own property control procedures manual.

GENERAL

1.1 DEFINITIONS

A. **Equipment -** Any apparatus, instrument, appliance, item of machinery, or piece of furniture costing $10000.00 or more and having a useful life of two or more years. 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, chairperson, manager or similar employee charged with the supervision of a department (as defined above).

1.2 PURPOSE

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

1.3 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 all information necessary for accountability.

The **Property and Inventory Control Department** is responsible for:

A. Tagging equipment
B. Making periodic inventories of University equipment
C. Maintaining the master file of University equipment
D. Providing other USA departments with assistance related to all activities described in this manual
E. Disposing of or re-utilizing equipment turned in by a department as surplus

1.4 ORGANIZATION

The employees of the Property and Inventory Control Department report to the Purchasing Director. The Purchasing Director reports to the Assistant Chief Financial Officer of Finance, who reports to the Chief Financial Officer for Finance.

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 from outside vendors is made in accordance with the University's standardized purchasing procedures. Equipment purchases should normally be charged to expenditure account codes 7 1 2 1 0 0, 7 1 2 2 0 0, 760300, and/or 760400. The Department of Property and Inventory Control Department will normally account for purchased equipment using data supplied by the Purchasing Department. For this reason, an acquiring department should not report equipment purchases to the Department of Property Management.

B. **Transfer -** By mutual consent, one department may transfer equipment to another department. In all cases, these transfers must be reported to the Property and Inventory Control Department via electronic USA Property Control Request available at https://www.southalabama.edu/departments/financialaffairs/property/inventory. If the proper form is 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 Maintenance, Learning Resources, or any other department should be reported by the acquiring department to the Property and Inventory Control Department via electronic USA Property Control Request. The acquiring department should report the actual costs of manufacture as the "Unit Cost."

D. **Donation -** Direct acquisition of equipment by a department through donation should be reported in writing by the acquiring department to Office of Development and Alumni Relations via electronic USA Property Control Request.

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 the Office of Grants and Contracts Accounting.

F. For equipment purchased with federal awards, written approval from the awarding agency is required for trade-ins. When acquiring replacement property, the recipient or subrecipient may use the property to be replaced as a trade-in. Value credited for the property, if the property is traded in, must be related to its fair market value. The recipient or subrecipient also may use the proceeds from the sale of the property to offset the cost of the new property.

G. Equipment purchased under a federal award must be used for the authorized program or project purposes for which it was acquired. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.

3.1 RECORDS AND IDENTIFICATION

A. Property records must be maintained to include all of the following information:

- Description of the property
- Serial number or other identification number
- Source of the property, including the federal award identification number
- Identification of the title holder
- Acquisition date
- Cost of the property
- Percentage of Federal participation in the cost of the property
- Location of the property
- Use and condition of the property
- Disposition data, including the date of disposal and sale price

B. Loss, damage, or theft must be promptly and properly investigated and fully document. The investigation must become part of the official project records as per 2 C.F.R. § 200.313 (d)(3). The University will provide at a minimum, the equivalent insurance coverage for equipment acquired with Federal funds. Federally-owned equipment need not be insured unless required by the award. As per 2.C.F.R. § 200.310.

3.2 TAGS

Positive identification of capital asset equipment is accomplished via the permanent affixing of identification tags to each item of equipment. Each tag will have a unique, permanently printed identification number.

3.3 RESPONSIBILITY

The Property and Inventory Control Department is responsible for tagging all equipment. The department should be notified when an item of equipment needs to be re-tagged or when an item of new equipment is still not tagged more than 90 days after its acquisition.

3.4 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 areas follows:

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

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 Property and Inventory Control Department**. *The department should never discard any equipment*** . An electronic USA Property and Inventory Control Request, complete with **ALL** approvals, should be used to initiate this process. If the responsible department head certifies that the equipment has no value, the maintenance department will pick up and dispose 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 should report any equipment traded in to the Department of Property Management via electronic USA Property Control Request. Never attempt to transfer an existing tag to new equipment.

University policy requires supporting documentation from vendors be provided with the electronic USA Property Control Request 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: USA 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 electronic USA Property Control Request 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, a **detailed accounting** containing all pertinent details must be provided on or attached to the request form

Also, in the case of thefts, a copy of the **report by campus police** or the law enforcement agency having jurisdiction **must** be attached.

D. **Other Disposable Categories -** Department heads may request relief from accountability via electronic USA Property Control Request 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 Department of Property and Inventory Control**.

4.3 DISPOSITION OF RELIEF FROM ACCOUNTABILITY OF EQUIPMENT -

A. **Permission** - In order for a department to dispose of equipment or be relieved from accountability for any reason, permission must **first** be granted from the head of the appropriate department and the Assistant Chief Financial Officer for Finance.

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. Additionally, departments are responsible for contacting the Safety and Environmental Compliance office at (251) 460-7070 to certify/tag equipment as properly decontaminated prior to removal. **No** Property Control Request with equipment listed as hazardous will be **processed** until all required preparation and documentation are 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 electronic USA Property Control Request.

If the **properly completed documentation** 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 $5,000.00 or more. The Department of Property Management 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 Department of Property Management in making the periodic count.

5.3 EQUIPMENT NOT FOUND

It is the responsibility of each department head to reconcile the "short 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 can not be located after an exhaustive search must be listed on a USA Property Control Request 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.

5.4 REMOTE CAPITAL ASSET INVENTORY MANAGEMENT

In cases where University capital assets cannot be physically inspected, alternative inventory verification methods may be employed to maintain accurate inventory records as per the requirements Alabama § 36-16-8 that include:

- Time-stamped images of assets provided by the asset custodian to the authorized Property and Inventory staff
- Electronic data transmission records from approved electronic devices including GPS transponders, data loggers, transducers, etc.
- Other acceptable methods as approved by the University Director of Purchasing and University Controller.

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 Department of Property Management using USA Property Control Request.

6.2 EQUIPMENT MODIFICATIONS

Any significant modification or repair of existing University equipment which materially affects the value of the equipment should be reported in writing by the using department to the Department of Property Management using USA Property Control Request.

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.