

Sam Houston State University
A Member of The Texas State University System

Finance & Operations Property Office Policy FO-PRO-23
Policies for Property

Purpose: Sam Houston State University (SHSU) Property Inventory control is a function provided by the Property Office to assist SHSU departments in the management of University assets.

Definitions:

- **Trust Assets:** Property not owned by the state that a state agency temporarily holds on behalf of the owner and is not used in agency operations.
- **Capital Assets:** All personal property and capital outlay having a value of \$10,000.00 or greater and a one year or greater estimated useful life, except for livestock which is capitalized at a value of \$5,000.00 or greater.
- **Controlled Assets:** Noncapital assets of the state that the State Comptroller's Office determines must be secured and tracked due to the nature of the items. The Property Office may also track items other than the list provided by the State Comptroller's Office (https://fmx.cpa.texas.gov/fmx/pubs/spaproc/appendices/appa/appa_6.php). All firearms are to be controlled regardless of the dollar amount.
- **Property Manager:** The University employee delegated authority by the President for the custody and care of all SHSU property. The designated Property Manager shall:
 - Maintain the records required and be the custodian of all personal property possessed by SHSU;
 - Develop appropriate internal controls for maintaining property records;
 - Conduct an annual physical inventory by the date required by the Comptroller; and
 - Report immediately any transfers of SHSU property to another State agency.
- **Property Custodian:** Property Custodians are responsible for the physical possession and control of all property entrusted to their respective departments. The Property Custodian is responsible for reporting any changes in their department's property inventory to the Property Manager. Each SHSU Department Head is the Property Custodian for his/her department. The Property Custodian may not delegate inventory change reporting responsibilities to an Equipment Manager.
- **Equipment Managers:** Equipment Managers may assist with the possession, control, and inventory responsibilities. However, ultimate responsibility for inventory control is the responsibility of the Property Custodian.

Employee Responsibilities

SHSU employees must use SHSU property only for University purposes and must exercise reasonable care for its safekeeping. SHSU employees must report any stolen property (Stolen Property Form S-12) to the SHSU University Police Department (UPD), any other appropriate law enforcement agency with jurisdiction, and report missing property (Missing Property Form M-12) to the Department Head/Property Custodian immediately.

SHSU employees must sign and date a "Request to Remove Property from Campus" RA-22 form and submit it to the Property Office before removing any SHSU property from campus. Form RA-22 must include a detailed list of the SHSU property entrusted to the individual. When equipment is returned to campus, the Property Office must be notified by using a copy of the original RA-22 specifying the return date.

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SHSU employees who remove equipment from campus accept full financial responsibility and shall be liable for any loss sustained by the University as a result of said removal of equipment from campus. SHSU employees who remove portable computing devices must comply with the University's information technology policies, including but not limited to, IT-26.

Employee Negligence

When any SHSU property is lost, destroyed, or damaged through the negligence or fault of an SHSU employee, that employee may be responsible for reimbursing the University. The Property Manager and the State Auditor may conduct an investigation into such incidents. If the State Auditor determines that the property loss or damage is due to employee negligence, the State Auditor may make a written demand for the employee's reimbursement of the loss.

Department Responsibilities

- Property Custodians shall ensure that all SHSU property in their possession is tracked and secured in a manner that prevents theft, loss, damage or misuse.
- Property Custodians must know, at all times, where SHSU property under their control is located and should be able to locate a given item upon request.
- Property Custodians shall immediately report any missing property to the Property Office by using Missing Property form M-12.
- Property Custodians shall immediately report any stolen property to the appropriate local law enforcement agency with jurisdiction, UPD, and the Property Office by using the Stolen Property form S-12. A copy of the investigating agency's report is to be submitted to the Property Office.
- SHSU employees are required to update the Property Custodian (Department Head) and Equipment Manager (assigned) in the event of personnel changes.
- SHSU employees may not dispose of or donate University property. All SHSU property disposal is the sole purview and responsibility of, and shall be conducted by, the Property Office.

Annual Physical Inventory

The Property Office will conduct a biennial physical inventory of selected departments. The inventory review will consist of trust, capitalized, and controlled property.

In the alternate year, the department's custodian will be responsible for conducting the physical inventory of their assets to ensure compliance with the annual inventory requirement. The custodian must complete an inventory form provided by the SHSU Property Office and note any missing items or discrepancies that need correction.

The SHSU Property Office will report all missing or lost items to the CFO and Sr. Vice President for Operations on a quarterly basis. Additionally, if a department is missing 5% or more of its assets or if an asset is deemed of significant value, high importance, or sensitive nature, this will be reported to the respective Dean and/or Vice President.

The Property Office shall immediately correct any discrepancies in property information detected.

Surplus Property

Each SHSU department shall identify and notify the Property Office of property that is no longer usable or required. This includes SHSU property that is surplus, obsolete and/or broken. No property is to be disposed of by individual SHSU departments or employees other than the Property Office. Prior to external disposal in accordance with System and Component regulations, such items may be made available to other system Components by the Property Office. A request for Changing Inventory Items and Work Request, form RC-

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21, must be prepared by the requesting SHSU department and submitted to the Property Office. Disposal of computer and hazardous materials must comply with the following:

Computer and Computer Related Equipment: All surplus computers and computer-related equipment must be sent to SHSU Information Technology for disposal. It is imperative that all devices capable of storing SHSU information be sanitized in a way that makes data recovery impossible. This includes copy machines and printers.

Hazardous Materials: Items that contain, have contained, or came into contact with hazardous materials (*i.e.*, biological, chemical, or radioactive materials) must be evaluated by SHSU's Environmental Health & Safety department prior to submitting an RC-21 form to the Property Office.

Surplus Property Reallocation and Sales also are functions of the Property Office. SHSU departments may visit the Property Office to view available SHSU property and arrange to have it reallocated for their use. Items that are of no use to SHSU departments may be sold at periodic auction sales or by several methods of bidding.

Tagging of Property

All SHSU property (excluding real property) that is capitalized or designated by the State Comptroller as a "controlled" asset shall be tagged by the Property Office and assigned a unique SHSU property inventory number. Such tagging or marking shall be done in a manner that prevents removal of the tag or mark except by considerable or intentional means. Exceptions to such tagging shall be made when tagging would degrade the asset's value (*e.g.*, works of art), or when tagging is unreasonable (*e.g.*, livestock, intellectual property).

Capitalization of Real Property & Improvements

SHSU Real Property and improvements will be capitalized upon substantial completion, execution of applicable contract documents, when the asset becomes occupied, or when the asset is placed into service.

Loan of Property

SHSU Property loaned to other state agencies remains the responsibility of SHSU. The Property Manager may loan SHSU property to other state agencies in his or her sole discretion and shall retain responsibility for all reporting requirements and management of any loaned SHSU property.

Disposal of Property with Sentimental Attachment

An SHSU employee who has sentimental attachment to furniture, property, or equipment may, with the approval of the appropriate Vice President and the University President, purchase an item as a keepsake provided the purchase is in good faith and for fair market value. The item requested may not be a controlled or capitalized asset that was purchased with state appropriated funds. The value of a given item will be the higher of an appraisal submitted by an individual knowledgeable in such values, and/or the SHSU's net book value. This same procedure may be followed in the event an employee dies and the family would like to obtain an item that has sentimental value.

Chief Information Officer approval is required if the items to be purchased are technology related, including computers, tablets, etc.

Disposal of Firearms

The disposal of firearms, ammunition, tear gas, and radios shall be at the discretion of the UPD's Chief of Police or his or her designee, with the following limitations. Firearms may not be sold. The UPD Chief of Police may trade firearms, including those confiscated by SHSU UPD, to vendors for replacement equipment or issue them to SHSU UPD officers as on-duty weapons. SHSU UPD will destroy non-tradeable or dysfunctional weapons and maintain a complete record of destroyed items and the method of destruction. UPD Chief of Police will provide the Property Manager a record of the destroyed items.

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The Director of the UPD or a designee will authorize the destruction of or trade for replacement items for non-serviceable or outdated uniforms, badges, and emergency equipment.

See Tex. Gov't Code §§ 403.273(h), 403.275, and 403.278; see also Tex. Admin. Code § 5.200.

Reviewed by: Jennifer Jones, Controller
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