Policy Statement. The Purchasing and Payment Services Associate Director for Asset Management provides daily supervision of the Asset Management Division. The Asset Management Division is charged with the responsibility of managing the personal property acquired with both State and non-State funds, and any donations to the University of North Texas. References herein to "agency" or "agency property" refer to the University and University property.

Application of Policy. All University.

Definitions.
1. Personal Property. “Personal property” as defined by the State Comptroller, means any possession of the State of Texas having sufficient value to warrant inclusion in the fixed assets portion of any official statement(s) of financial condition, or any possession of the State of Texas that, due to the nature of the asset, is required to have management controls placed upon it. Personal property does not include consumable items nor does it include real property such as land or buildings, improvements to land or buildings, or infrastructure.

2. Capitalized Assets. “Capitalized assets” as defined by the State Comptroller, mean possessions that meet the above personal property criteria and that have a single unit value of $5,000 or greater and an estimated useful life of more than one year.

3. Controlled Assets. “Controlled assets” as defined by the State Comptroller, mean assets that qualify as personal property but do not meet the capitalization threshold and that must be secured and tracked due to the nature of the item. The controlled dollar threshold is $500, with firearms being the only exception. The dollar threshold for firearms is $1. This property is identified in the State Comptroller’s State Property Accounting (SPA) User’s Manual. The University has included one additional exception. Computers will have a $1 threshold.

4. Expensed Assets. “Expensed assets” as defined by the State Comptroller, mean assets that are not required to be reported to the State Comptroller’s State Property Accounting System and should be regarded as those items expensed by the agency. However, these assets may be reported to the State Property Accounting System in order to assist the agency with limited control over the asset.

5. Equipment Held in Trust. “Equipment held in trust” as defined by the State Comptroller, means assets held by an agency on behalf of a non-state entity (such as art collections
owned by families, estates, and others) and which are under the temporary control of the agency.

**Procedures and Responsibilities.**  
1. **Organization.**  
The University of North Texas (UNT) Purchasing and Payment Services (PPS) is comprised of the following four divisions

   i. Purchasing;  
   ii. Payments;  
   iii. HUB Outreach and Reporting; and  
   iv. Asset Management, (which includes Property & Inventory Control, Central Receiving, Surplus, Customer Service, Office Supply, Entity and Travel)  

Organizationally, the department is a unit of the Controller’s Office. The Director of Purchasing and Payment Services leads the department.

The PPS Associate Director for Asset Management provides daily supervision of the Asset Management Division. The Asset Management Division is charged with the responsibility of managing the personal property acquired with both State and non-State funds, and any donations to the UNT. References herein to “agency” or “agency property” refer to the University and University property.

   **Responsible Party:** PPS Associate Director for Asset Management  

2. **Responsibility.**  
Pursuant to Texas Govt. Code Ann. sec. 403.273 (Vernon Supp. 1993), the head of each State agency is responsible for the custody and care of State property in the agency's possession. It is the responsibility of the property manager to maintain the records required, through the State Comptroller, and be the custodian of all property possessed by the agency. The State Comptroller allows that a "custodian" may be designated for specific items of personal property. The custodian will then have responsibility for those items. At the University, items acquired by or for specific departmental use or benefit, are assigned to individual deptids or projids.

The liability, as prescribed by Texas Govt. Code Ann. sec. 403.275 (Vernon Supp.1993), may attach on a joint and several basis to more than one person in a particular instance. A person is pecuniary liable for the loss sustained by the State if:
1. agency property disappears, as a result of the failure of the head of an agency, property manager, or agency employee entrusted with the property to exercise reasonable care for its safekeeping;
2. agency property deteriorates as a result of the failure of the head of an agency, property manager, or agency employee entrusted with the property to exercise reasonable care to maintain and service the property; or
3. agency property is damaged or destroyed as a result of an intentional wrongful act or of a negligent act of any State official or employee (see New Employee Packet for copy of this law).

The department head of each University department shall delegate the custodianship of all departmental property to the University employee who is the end user. The assignment of personal property is made, in writing or electronically, via the University's asset management system. Designated asset users may perform this function on behalf of the department head.

The University's asset management system's "accountability report" in EIS will be the authorized medium for delegating custodial responsibility to the end user level via his/her employee identification number. It is the department’s responsibility to ensure that this report is continuously maintained and its integrity upheld, by promptly notifying the Asset Management Division of any changes or discrepancies. The custodian is responsible for the safekeeping and maintenance of all delegated property and may be held pecuniary liable for its loss, damage, theft, or misuse.

Whenever personal property accountability changes due to an employee of the University terminating his or her employment, or transfers from one University department to another, a personal property exit inventory may be conducted, at the discretion of the department head, on all property directly assigned to that employee. If this exit inventory is not conducted the department head is responsible for the personal property until such time that it is reassigned to a specific employee. In the event of the termination or reassignment of a University department head, the exit inventory would apply to all directly assigned property. However, the appropriate dean or vice-president may require a complete departmental inventory since the University department head is the primary custodian for the departmental property.

The completed inventory report shall be signed by the employee. Final results of this inventory shall be sent to the appropriate department head, dean, or vice-president with a photocopy forwarded to the PPS Asset Management Division.

Any discrepancies in this exit inventory would cause the employee liability section of the policy manual to be applied (see section 4.3.03.02). If necessary, a State Comptroller’s Missing or Stolen Property Report for State Departments, Institutions, and Agencies form would be completed, declaring the property as either missing or stolen, with or without negligence (see “Other Disposal Methods-Missing or Stolen Property” section 4.3.10).
The agency must know where all assets are located at all times, whether on-campus or off-campus.

The University department head must authorize any off-campus use of State property. The authorization for off-campus use of an asset will be recorded in the asset record of EIS. The designated asset user may update the record after receiving written or electronic approval of the off-campus use from the department head. This authorization of off-campus use must constitute official State business and approved property shall not be used for personal purposes (Texas Govt. code Ann. sec. 403.273(Vernon Supp. 1993). Whenever agency property is shipped or taken out of the country the department and responsible party must complete all necessary U.S. Customs Office documentation assuring that the property can be returned to the agency.

3. Tagging of Personal Property.

   **Capital and Controlled:**

   Personal property that meets the State Comptroller’s definition of capital and controlled assets will be tagged with a uniquely numbered property tag. This tag will include the statement "Property of University of North Texas." Items meeting this definition that are purchased with the University Purchasing Card must be documented by submitting a Controlled Item Equipment Form to Asset Management within 2 workdays of receipt.

4. Annual Physical Inventory.

   State law requires that a complete physical inventory be conducted each fiscal year. This inventory will be conducted by each department assigned personal property. The Asset Management Division will provide a current listing and inventory instructions (inventory packet) to each department. This listing will include all capital and controlled property.

   The condition of the property and all discrepancies found in the listing while conducting this inventory will be reported in a fashion detailed in the inventory instructions.

   Upon completion of the departmental inventory the University department head and any designated asset user must sign and return the complete inventory packet as instructed within the inventory instructions.

   All new or revised location changes must be entered into EIS by the designated asset user as they occur. The University of North Texas will conduct an inventory annually. The University is required to forward *Certification of Physical Inventory Conducted by Agency* form (73-283) no later than 20 days after the last day of the fiscal year.
The University will conduct an annual statistical sampling (spot-check) verification of departmental property. The selection of property included in this verification process is based upon the following criteria:

1. one percent of the department’s total capital/controlled property count;
2. greater selection sensitivity toward high dollar value items;
3. a higher ratio of "high risk" (controlled) property, and
4. the sampling will be taken from the total database.

5. Adjustments to the Property Inventory.

Adjustments to personal property inventory records may be accomplished by one of several methods. Examples of these methods are as follows, but are not limited to this listing:

1. direct purchase via State, local, gift, or Federal funds;
2. donations;
3. manufactured by the agency;
4. discover and add (undetermined sources);
5. interagency transfer in or out;
6. surplus property acquisition;
7. sales;
8. lost;
9. stolen;
10. disassembled for parts;
11. traded-in;
12. released to grantor/donor;
13. statutory deletion; and
14. lease/purchase or installment purchases.

6. Gifts-In Kind (Donations).

Gifts to University must follow policy as outlined in the University Policy Manual, Vol. II, section 7.2.

The State Comptroller requires that all gifts or donations be appraised and that its method of appraisal be reported to the State Comptroller at the time the property is placed on the University's property records. It is the responsibility of the department receiving the gift or donation to secure this appraisal. Any cost associated with this appraisal will be the responsibility of the recipient department. The approved methods of appraisal are as follows:

1. invoices or other documents stating original cost;
2. manufacturers price list;
3. distributor and supply company catalogs;
4. industry publications and trade journals;
5. public records and tax assessment records;
6. realtors, appraisers, and bankers; and
7. other (this method should be used sparingly and documented).

The Library’s library materials account is exempt from reporting donated materials that are to be cataloged until the end of the fiscal year. These figures are to be reported to the Asset Management Division for inclusion in the University’s asset management system.

7. Manufactured.

Property manufactured by the University will be appraised according to labor and material costs.

8. Discover and Add (Found or Acquired via Undetermined Sources).

Property acquired via undetermined sources will be appraised according to the State Comptroller approved methods of appraisal.


   University:

   The Interdepartmental Transfer/Release of Property will be released from one deptid/projid to another through use of electronic approval. The department head or designated asset user of the relinquishing department will initiate an email approval to the department head of the receiving department. Once approved by the receiving department, the email will be forwarded to Asset Management for transfer of the asset and appropriate documentation in EIS.

   All data storage devices, including computers, must be erased of all data and software files and programs before they are transferred to another department. The relinquishing department’s network manager or other designated personnel must send an email to the department head and designated asset user with the university tag number that certifies the data storage device has received an official wipe of all data and software files and programs. The department head or designated asset user must forward the email certification to the receiving department and to Asset Management. Asset Management will complete the transfer of property and file the email certification in EIS.

   Interagency:

   The Property Transfer Notice form is used to initialize the transfer of personal property between State agencies. This transfer may be completed with or without monetary
reimbursement. The process is completed electronically between the two (2) agencies via the State Comptroller's State Property Accounting (SPA) system's on-line approval. Accountability for the property rests with the transferring agency until all procedures have been applied and the receiving agency acknowledges receipt of the property electronically through the State Comptroller's State Property Accounting (SPA) system. The unit initiating the interagency transfer should first inform the campus of the availability of the property before it is made available for another state agency.

**Political Subdivision or Assistance Organization:**

The Certification of Transfer of Property to a Political Subdivision or Assistance Organization form is used by the Asset Management Division to transfer or sell property between the University and a political subdivision or assistance organization. The unit initiating the political subdivision or assistance organization transfer should first inform the campus of the availability of the property before it is made available to a political subdivision or assistance organization. Any University unit may initiate the search for an interested political subdivision or assistance organization. The transfer or sell process must be coordinated through the Asset Management Division.

An assistance organization means: 1) a nonprofit organization that provides educational, health, or human services or assistance to homeless individuals; and 2) a nonprofit food bank that solicits, warehouses, and redistributes edible but unmarketable food to an agency that feeds needy families and individuals.

**Out-of-State (National and International):**

All state and federal regulations, statutes, and laws must be adhered to in seeking to make a donation of property between the University and an out-of-state entity. The University unit that initiates the request to donate property must research and coordinate the legality of the donation with the Office of the Vice Chancellor and General Counsel.

The University unit must initiate the request to donate in writing to the Asset Management Division of the Purchasing and Payment Services Department. This request to donate should include the following property information: description, property number, age, condition, and original purchase value. The transferee entity information must include: the entity name, mailing address, telephone number, and primary contact name and title. The University unit should also include information relating to the purpose of the donation and the benefit of the donation to the University.

The following conditions will be strictly adhered to when determining the eligibility of this donation:

1. no federally acquired property may be donated without proper prior authorization from the applicable federal agency or department;
2. no data processing equipment may be donated;
3. the University unit must notify the campus community of the property’s availability for possible use on campus;
4. all equipment must be listed on the Texas Higher Education Coordinating Board’s website for public school review if its functionality is directly related to instruction or training;
5. no hazardous waste materials may be donated without prior written approval from Risk Management; and
6. the property may be donated only to a non-profit or governmental entity.

It is the intent of this policy that each request to donate to an out-of-state entity will be reviewed on a case-by-case basis. The Vice President for Finance and Administration will be the designated University official to approve and, if necessary and deemed to be in the best interest of the University, waive any property availability notification requirements.

10. Disposal of Surplus and Salvage Property.

Property which becomes surplus, salvage, obsolete, or uneconomically repairable will be disposed of under the direction of the Asset Management Division. This includes all types of property, except carcinogens and radioactive materials and devices, e.g. EPA regulated materials, solvents, etc. Departments generating this type of property must contact the Risk Management and Environmental Services office to coordinate its disposal.

If title vests with the University and there are no sponsor/donor regulations pertaining to the property, then following the policies of the State Comptroller and, if necessary, the approval of the State Department of Information Resources (DIR), in the case of some computer and telecommunication hardware and software, the property may be transferred to another state agency, political subdivision, or assistance organization with or without monetary consideration.

If title vests with the University and there are sponsor/donor regulations pertaining to the disposition of the property, then dispose of in accordance with the sponsor/donor regulations.

The disposal of property with a fair market value of $5,000.00 or more that was purchased with funds from a federally sponsored project are subject to the applicable federal property management standards (OMB Circular A-110 or equivalent), which generally requires the proceeds for the sale of the property to be returned to the sponsoring agency. Asset Management must seek prior approval from the Office of Research Services before property purchased with funds from federally sponsored projects is offered for sale.

Property Transfer:
Property which is declared surplus by a department may be transferred to another University department, another State agency, political subdivision, or assistance organization. The University community must be advised that said property is available for on-campus redistribution before a commitment is made with another State agency, political subdivision, or assistance organization. These redistribution efforts must be coordinated with the Asset Management Division. This transfer may be made with or without monetary reimbursement. If this reimbursement is to be made between the University and another State agency, political subdivision, or assistance organization, the department should coordinate the payment efforts with the Asset Management Division and the Payment Services Section of PPS.

To accomplish a transfer of property between University departments see the Transfer of Property-University section; to another State agency see the Interagency section; to a political subdivision see Political Subdivision or Assistance Organization section.

Retire to Surplus:

Property which is to be retired to surplus and needs to be transported to surplus should be listed in an email from the relinquishing department to the Surplus Section of PPS. Only include individual details for property that is inventoried as a tracked or tagged asset; non-tracked or tagged property can be described more generally.

Upon receipt of the email notification and the property, personnel in the PPS Surplus Section will verify the receipt of the property. Upon completion of this process the property will be transferred to the appropriate surplus property account. The email correspondence will be saved with the asset record in EIS.

All data storage devices, including computers, must be erased of all data and software files and programs before they are transferred to another department. The relinquishing department’s network manager or other designated personnel must send an email to the department head and designated asset user with the university tag number that certifies the data storage device has received and official wipe of all data and software files and programs. The department head or designated asset user must forward the email certification with the request for pickup to the Surplus Section of PPS. Asset Management will complete the transfer of property and file the email certification in EIS.

The Asset Management Division will maintain surplus property accounts for: 1) educational & general, 2) pledged auxiliary enterprises, 3) non-pledged auxiliary enterprises, and 4) board designated.

Pursuant to Texas Government Code, Section 2175.126, computing equipment that is not disposed of in accordance with the referenced section will be transferred to the Texas Department of Criminal Justice.
Pursuant to Texas Government Code, Section 2175.304, before disposing of surplus property the University shall offer instructional materials or equipment on the Texas Higher Education Coordinating Board’s Internet website for the purpose of allowing public schools or school districts the opportunity of acquiring the University’s surplus property. This acquisition may be with or without monetary consideration. If more than one public school or school district seeks to acquire the same property on substantially the same terms then the university shall give preference to a public school that is considered low-performing by the commissioner of education or to a school district that has a taxable wealth per student that entitles the district to an allotment of state funds under Subchapter F, Chapter 42, Education Code.

Retire to Salvage:

Salvage property (property that is broken beyond economical repair, worn out, or disassembled for parts) may be declared as salvage by the user department. The user department may retain the disassembled property for useable parts and make written request to the Associate Director for Asset Management, via the completion of the Dismantled for Parts Certification form, for the property to be deleted from University's property records. This property may be released for sale as scrap to the PPS Surplus Section via the completion of an Interdepartmental Transfer/Release and Instructional Fee Certification form and e-mail request.

When property no longer has an obvious value to the University or using organization, it must be turned in to the PPS Surplus Section utilizing the above outlined procedures for property disposal.

Sale of Surplus/Salvage:

Arrangement for sales of equipment or supplies may be made only through the Vice President for Finance and Administration and/or the Associate Director for Asset Management. All surplus or salvage property will be stored in designated surplus property storage areas. Any exception to these designated areas must be approved by the Associate Director for Asset Management. Disposal of used tires and batteries will be under the direction of Facilities with the exception of those being utilized to maintain a surplused item in useable condition.

As a general rule, direct sales to the public is the preferred method of sale with sealed bid, auction and internet sales options when direct sales are not feasible or do not provide the “best value” for the State of Texas. If the bidding method is used, terms and conditions of the surplus/salvage property sale will be outlined in detail in the bid document assigned to each sale. Direct sales are open to the general public. Those who cannot purchase from a direct sale include the following:

- Individuals directly involved in the pricing of materials items.
• The Director and Associate Director (Asset Management) of PPS, employees in Central Receiving and Surplus and their immediate families.

All property is sold “first come, first serve” on a "where is/as is" basis and the University will not be held responsible for its condition, quality, quantity or warranty, either expressed or implied. The University reserves the right to reject buyers and to waive any or all formalities. All other performance standards will be set by the Vice President for Finance and Administration and/or the Associate Director for Asset Management.

The current State sales tax rate will be assessed against all product or equipment sold, with the exception of items exempted by the State Comptroller of Public Accounts and/or parties properly completing a Texas Sales Tax Resale Certificate.

Disposition of Sale Revenue:

A percentage of sale revenue will be used to defray the cost of sales. The remainder will be deposited into one or more general accounts of the University, which may be based on the originating funds for the initial purchase. Exceptions to this disposition of revenue will be at the discretion of the Director of Purchasing and Payment Services after review of the request and supporting documentation provided by the requesting department.

Disposition of Computer Related Equipment:

In an effort to minimize the University’s risk toward: 1) the violation of software license agreements, 2) the unauthorized release of confidential information, and 3) the unauthorized disclosure of trade secrets, copyrights, and other intellectual properties, the University will regulate the disposition of all University owned computing devices. The term disposition is intended to mean, but is not limited to, the sale or transfer via a state interagency transfer, transfer to a state political subdivision or assistance organization, used as a trade-in on the acquisition of new equipment, or offered in a public sale of old, obsolete, damaged, nonfunctional, or surplus computing equipment containing storage devices, i.e. hard disk drives, optical storage devices, etc., either internal or external. Unless specified by the contract or law, it is the intent of the University to erase all software and data files from all data processing storage devices before their official disposition.

Disposal of Abandoned Personal Property:

See Policy 12.002, Disposal of Abandoned Property.

Other Disposal Methods:

Deletions:
Items may be deleted from University's inventory records only after receiving approval from the Office of the State Auditor.

**Missing Property:**

Missing property should be reported to the Asset Management Division immediately by completing the State Comptroller's Missing or Stolen Property Report for State Departments, Institutions, and Agencies form. This report is maintained in the Asset Management office for a minimum of two (2) physical inventories and/or two (2) calendar years from the date that it was first determined to be missing. Deletion of missing personal property may be requested only after that the two (2) year requirement has been met.

A designated University official, with a rank greater than the Associate Director for Asset Management, must sign, date, and determine negligence on the part of the person responsible for the property. The property is then reported to the State Comptroller via on-line electronic notification.

See Responsibility section for a State employees' pecuniary liability.

**Stolen Property:**

Stolen property must be reported, by the department having custody, to the University Police within forty-eight (48) hours of identifying the theft. The stolen property must be reported to the Asset Management Division immediately by completing the State Comptroller's Missing or Stolen Property Report for State Departments, Institutions, and Agencies form.

A designated University official, with a rank greater than the property manager, must sign, date, and determine negligence on the part of the person responsible for the property. This report is faxed to the Office of the State Auditor within 24 hours of submitting a deletion request to the State Comptroller.

See Responsibility section for a State employee's pecuniary liability.

**Trade-In of Property:**


There will be the establishment of school or college level (departmental level where college/school is not applicable) property liaisons that will be responsible for advising
departmental personnel under their jurisdiction on all personal property policy and procedures as advised by the Asset Management Division.


The establishment of an internal control is necessary to identify and authorize individuals for the acquisition of surplus property. For this purpose the Surplus Property Acquisition Authorization form must be completed and be on file in the Asset Management Division. This form is valid for only one (1) fiscal year and must be renewed annually. The responsibilities of the authorized employee will be stated within the authorization form.

Any surplus property received by University from any source whatsoever must be reported to the Asset Management Division and processed through the department.

Federal surplus property acquired through the Texas Facilities Commission's Federal Surplus Property Program is subject to the federal and state restrictions as detailed in the certifications and agreements outlined in the application for eligibility.

13. Merchandise for Resale Inventory.

An inventory of all merchandise for resale on hand as of August 31 of each fiscal year will be furnished by each department having merchandise for resale. This inventory must be prepared in triplicate, with the original and duplicate transmitted to the Office of Financial Reporting no later than August 31 of each year. If for any reason it is impossible for any department to complete this inventory by August 31, it should be communicated with the Office of Financial Reporting for the purpose of arriving at an understanding that will prevent any delay in the closing of the books (V.T.C.S., Education, section 51.001).

In addition to the prescribed annual inventory of August 31, the Vice-President for Finance and Administration may find it necessary to require monthly, or less frequent, inventories of departments having merchandise for resale in order to have current operating information for proper management.

Responsible Party: Associate Vice President for Finance/Controller

References and Cross-references.

Texas Government Code, Chapter 403, Subchapter C
Texas Government Code, Section 2175.126
Texas Government Code, Section 2175.304
UNT Policy 12.002, Disposal of Abandoned Property
UNT Policy 10.043, Purchasing

**Forms and Tools.**

Certification of Physical Inventory Conducted by Agency form (73-283)
Certification of Transfer of Property to a Political Subdivision or Assistance Organization form
Dismantled for Parts Certification form
Interdepartmental Transfer/Release and Instructional Fee Certification form
Missing or Stolen Property Report for State Departments, Institutions, and Agencies form.

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