

<b>The University of North Texas at Dallas Policy Manual</b>	Chapter 11.005
<b>11.005 Physical Asset Management</b>	<b>Facilities and Real Estate</b>

**Policy Statement.** It is the policy of the University of North Texas at Dallas to meet the requirements of physical asset management as specified by state law. The state law specifies that the State Comptroller of Public Accounts (State Comptroller) shall administer the property accounting system, maintain centralized records, and adopt necessary rules for implementing the property accounting system. The President of the University is responsible for the custody and care of State personal property in the University’s possession.

**Application of Policy.** This policy applies to the total university.

**Definitions.**

1. **Assistance Organization.** “Assistance Organization” means an organization certified by the Texas Facilities Commission that meets the following eligibility:
  - a) A nonprofit organization that provides educational, health, or human services or assistance to homeless individuals;
  - b) A nonprofit food bank that solicits, warehouses, and redistributes edible but unmarketable food to an agency that feeds needy families and individuals;
  - c) Texas Partners of the Americas, a registered agency with the Advisory Committee on Voluntary Foreign Aid, with the approval of the Partners of the Alliance office of the Agency for International Development;
  - d) A group, including faith-based group, that enters into financial or non-financial agreement with health or human services agency to provide services to that agency’s clients;
  - e) A local workforce development board;
  - f) A nonprofit organization approved by the Supreme Court of Texas that provides free legal services for low-income households in civil matters;
  - g) The Texas Boll Weevil Eradication Foundation, Inc. or an entity designated by the commissioner of agriculture as the foundation’s successor entity;
  - h) A nonprofit computer bank that solicits, stores, refurbishes, and redistributes used computer equipment to public school students and their families; or,
  - i) A nonprofit organization that provides affordable housing.
  
2. **Capitalized Assets.** “Capitalized Assets” are any possessions that meet the personal property criteria and that has a value equal to or greater than the capitalization threshold established for that asset type and an estimated useful life of more than one (1) year.

3. Controlled Assets. “Controlled Assets” 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.
4. Personal Property. “Personal property” is 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.
5. Political Subdivision. “Political Subdivision” means an entity that may be a county, municipality, special district, school district, junior college district, housing authority, community center for mental health and mental retardation services or any other legally constituted political subdivision of the State of Texas. For the purposes of acquiring surplus property, the Civil Air Patrol, Texas Wing is considered a state agency and a volunteer fire department is considered a political subdivision.
6. State Property Accounting (SPA) System. “State Property Accounting System” means the State of Texas’ capital asset component of the Uniform Statewide Accounting System (USAS) maintained by the Comptroller’s office as authorized by state law. This centralized system of agency property records provides useful information to Legislative oversight agencies and is used in compiling the state’s Comprehensive Annual Financial Report. The SPA System also provides assurance that state agency assets are accounted for and properly maintained.
7. Salvage Property. “Salvage Property” means any personal property that through use, time, or accident is so damaged, used, or consumed that it has no value for the purpose for which it was originally intended.
8. Surplus Property. “Surplus Property” means any personal property which is in excess of the needs of any state agency and which is not required for its foreseeable need. Surplus property may be new or used but must have additional useful life.

## **Procedures and Responsibilities.**

1. The Purchasing Director is the designated Property Manager for the University. The Property Manager has the responsibility to maintain the records required, through the State Comptroller, and be the custodian of all property possessed by the University. Additionally, the President may designate alternate property managers, if needed, to assist the Property Manager.

Responsible Party: Director of Purchasing

2. The State Comptroller allows that a “custodian” may be designated for specific items of personal property. The department head of each University department may delegate the custodianship of department property to the University employee who is the end user. It is the department’s responsibility to ensure that personal property records are continuously maintained and its integrity upheld, by promptly notifying the Property Manager 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.

Responsible Party: Department Head/Purchasing Department/Employees

3. The department head must authorize any off-campus use of State property. The authorization for off-campus use of an asset shall be recorded. This authorization of off-campus use must constitute official State business and approved property shall not be used for personal purposes.

Responsible Party: Department Head

4. **Tagging of Personal Property.** Personal property that meets the State Comptroller’s definition of capital and controlled assets shall be tagged with a unique property inventory number. The University may not reuse a previously-assigned property number.

Responsible Party: Purchasing Department

5. **Property Appraisals.**

5.01. The State Comptroller’s approved methods of appraisal are as follows:

- a. Invoices or other documents stating original cost;

- b. Manufacturers price list;
  - c. Distributor and supply company catalogs;
  - d. Industry publications and trade journals;
  - e. Public records and tax assessment records;
  - f. Realtors, appraisers, and bankers; and
  - g. Other (used sparingly and documented).
- 5.02. 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.
- 5.03. The library materials account is exempt from reporting donated materials that are to be cataloged until the end of the fiscal year.
- 5.04. Property manufactured by the University will be appraised according to labor and material costs.
- 5.05. Property acquired via undetermined sources will be appraised according to the State Comptroller approved methods of appraisal as described in Section 5.01.

Responsible Party: Purchasing Department

6. **Annual Physical Inventory.** State law requires that a complete physical inventory be conducted each year. This inventory will be conducted by each department assigned personal property.
- 6.01. The Property Manager shall provide the most recent listing and inventory instructions to each department. This listing will include all capital and controlled property.
  - 6.02. 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.

- 6.03. All new or revised location changes must be reported by the designated asset user as they occur to the Property Manager.
- 6.04. 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: direct purchase via state, local, or federal funds; donations; manufactured by the University; discover and add (undetermined sources); interagency transfer in or out; surplus property acquisition; sales; lost; stolen; disassembled for parts; traded-in; released to grantor/donor; statutory deletion; or, lease/purchase or installment purchases.
- 6.05. The Property Manager shall ensure that the State Property Accounting System is updated accordingly and shall submit the appropriate form(s) to the Texas Comptroller of Public Accounts.
- 6.06. The University may conduct periodic inventories using statistical sampling, dollar sampling techniques or other acceptable verification methods to assure the accuracy of reported personal property information.

Responsible Party: Purchasing Department/ University Departments

7. **Transfer of Property.** The department initiating property transfer should first inform the Property Manager so the campus may be informed of the availability of the property before it is made available to another state agency, political subdivision or assistance organization.

- 7.01. University. Once the department head or designated asset user of the relinquishing department receives approval from the department head of the receiving department, the Property Manager will transfer the asset and process the appropriate documentation.
  - a. All data processing storage devices, including computers, must be erased of all data and software files and programs before they are transferred to another department. The Information Technology Department representative will certify that the data processing storage device has received an official wipe of all data and software files and programs. Once the transfer of property is complete, the Information Technology Department will assist the receiving department in setting up the appropriate software files and programs.

- 7.02. Interagency. The transfer of personal property between State agencies may be completed with or without monetary reimbursement. This process is completed electronically between the two 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 SPA system.
- 7.03. Political Subdivision or Assistance Organization. Any University department may initiate the search for an interested political subdivision or assistance organization. The transfer or sell process must be coordinated through the Property Manager.
- 7.04. Out-of-State. 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 department that initiates the request to donate property must research the legality and coordinate the donation with the Property Manager and the Office of General Counsel. The following conditions will be strictly adhered to when determining the eligibility of this donation:
- a. No federally acquired property may be donated without proper prior authorization from the applicable federal agency or department;
  - b. No data processing storage device may be donated;
  - c. The University department must notify the campus community of the property's availability for possible use on campus;
  - d. All equipment must be listed with the Texas Higher Education Coordinating Board for public school review if its functionality is directly related to instruction or training;
  - e. No hazardous waste materials may be donated without prior written approval from the Facilities Department; and
  - f. The property may be donated only to a non-profit or governmental entity.

Responsible Party: Purchasing Department/ Information Technology Department/ University Departments

8. **Missing or Stolen Property.** The department having custody of the property should report the item(s) either missing or stolen immediately to the Property Manager by utilizing the appropriate form(s). The Property Manager is responsible in updating the status of the property in the SPA system.

8.01. **Missing Property.** The form filed is to be maintained in the Property Manager 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 the two (2) year requirement has been met. A designated University official shall determine negligence on the part of the person responsible for the property and determine appropriate steps.

8.02. **Stolen Property.** The report of the theft shall be sent to the Comptroller's Office, the Office of the Attorney General (OAG) and the appropriate law enforcement agency. Stolen property should be reported to the appropriate law enforcement agency and the OAG within a reasonable period (e.g. 72 hours) of realizing the property has been stolen. A designated University official shall determine negligence on the part of the person responsible for the property and determine appropriate steps.

Responsible Party: Purchasing Department/ University Departments

9. **Property Retirement.**

9.01. **Retire to Surplus.** Property which is to be retired to surplus and needs to be transported to surplus should be communicated to the Property Manager from the relinquishing department. The Property Manager will coordinate the transfer of the property to surplus.

9.02. **Retire to Salvage.** Property may be declared as salvage by the user department. The user department may retain the disassembled property for useable parts and make a request to the Property Manager for the property to be deleted from the University's property records. This property may also be released to the Property Manager for disposal.

9.03. If the property being retired to surplus/salvage is a data processing storage device, including a computer, the item must be erased of all data and software files and programs when they are relinquished to surplus/salvage.

Responsible Party: Purchasing Department/ University Departments

10. **Property Disposal.** Property which becomes surplus, salvage, obsolete, or uneconomically repairable will be disposed of under the direction of the Property Manager.
  - 10.01. Property which is declared surplus by a department may be transferred to another University department, another state agency, political subdivision, or assistance organization. The provisions outlined in Section 7 shall be followed for transferring surplus property.
  - 10.02. Sponsor/Donor Provisions. If title vests with the University and there are no sponsor/donor provisions pertaining to the property, the property may be transferred as described in Section 7. If title vests with the University and there is sponsor/donor regulations pertaining to the disposition of the property, then disposition will be in accordance with the sponsor/donor regulations.
  - 10.03. Federally Funded Property: 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. The Property Manager must seek prior approval from the Development Department before property purchased with funds from federally sponsored projects is offered for sale.
  - 10.04. Before disposing of surplus property that can be utilized as instructional materials or equipment, the University shall advertise/offer the property through the Texas Higher Education Coordinating Board for the purpose of allowing public schools, school districts or assistance organization designated by the school district 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 or assistance organization seeks to acquire the same property on substantially the same terms, the system, institution, or agency 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, Texas Education Code, or to the assistance organization designated by such a school district.
  - 10.05. If the data processing storage devices, including computers, are not disposed of in accordance with this section, the devices will be transferred to the Texas Department of Criminal Justice. The University may not collect a fee or other

reimbursement for the disposal of data processing storage devices.

Responsible Party: Purchasing Department/ University Departments

11. **Sale of Surplus/Salvage.** Arrangement for sales of surplus or salvage property may be made through the Property Manager. Disposal of used tires and batteries will be under the direction of the Facilities Department with the exception of those being utilized to maintain a surplused item in useable condition. The Property Manager shall determine the best method of selling the surplus/salvage property. The sales method may be by competitive bid, auction, or direct sale to the public, including a sale using an Internet auction site. If the bidding method is used, terms and conditions of the surplus/salvage property sale will be outlined in detail in the bid document. Direct sales are open to the general public.

Responsible Party: Purchasing Department/ Facilities Department

### **References and Cross-references.**

Texas Government Code Chapter 403, Subchapter C and Subchapter L and Texas Government Code Chapter 2175

Texas Government Code, § 403.273

Texas Government Code, § 2175.001

State Comptroller's State Property Accounting (SPA) Process User's Guide

Texas Government Code, § 2175.004

Texas Government Code, § 403.271(b)

Texas Government Code, § 2175.001

State Comptroller's State Property Accounting (SPA) Process User's Guide

Texas Government Code, § 403.278

Texas Government Code, § 403.276 and State Comptroller's State Property Accounting (SPA) Process User's Guide

Texas Government Code, § 403.275, § 403.276 and State Comptroller's State Property Accounting (SPA) Process User's Guide

Texas Government Code, § 2175.304

Texas Government Code, § 2175.128

Texas Government Code, § 2175.129 and § 2175.130

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