**Texas State University Property and UPPS No. 05.01.01**

**Equipment Issue No. 9**

 **Effective Date: 08/26/2022**

 **Next Review Date: 09/01/2026 (E4Y)**

 **Sr. Reviewer: Director, Materials Management and Logistics**

**POLICY STATEMENT**

*Texas State University is committed to maintaining adequate provisions for the physical security of all university property and equipment.*

**01. CONTEXT**

01.01 Texas State University personnel must exercise reasonable care to protect the university’s property and equipment.

01.02 This policy applies to all university property and equipment, regardless of the source of funds from which these items were acquired. Property and equipment donated to the university are included under this policy.

**02. DEFINITIONS**

02.01 Capital Assets – items costing $5,000 or more with useful lives greater than one year and must be capitalized and maintained on the university’s inventory, in accordance with the requirements of the State Comptroller’s Office.

02.02 Controlled Assets – items that cost less than $5,000 (below the capitalization threshold), but which must be maintained on the university’s inventory in accordance with state requirements because of the high-risk nature of the asset.A complete list of controlled assets is available on the state comptroller’s [website](http://www.window.state.tx.us/).

02.03 Electronic Verification of Equipment (E.V.E.) – Per state mandate, all personal property owned by the state shall be accounted for by the agency that possesses the property ([Texas Government Code, Ch. 403, Section 403.272 (b)](https://statutes.capitol.texas.gov/docs/GV/htm/GV.403.htm)). Electronic verifications of property and equipment in the possession of the university will be done by Financial Services personnel using the E.V.E. inventory methodology.

02.04 Loan of Property and Equipment – use of university property by a non-profit entity other than a Texas State employee.

02.05 Off-Site Use – use of university property by a Texas State employee at a location other than the university’s regular place of business.

02.06 Personal Use – use of university property by a Texas State employee for their personal needs, unrelated to university business purposes.

02.07 Property and Equipment – Generally, this includes assets with useful lives greater than one year that are necessary to conduct the business of the university, such as: audiovisual devices, computers, furniture, tools, machinery, buildings, and land. For purposes of this policy, the term refers to all such items owned or leased by the university or items on loan to the university. These items are referred to as “university property” throughout this policy.

02.08 State Property Accounting (SPA) – the office under the state comptroller of Public Accounts that accounts for and tracks assets of state agencies and some institutions of higher education of the state of Texas.

02.09 University Business Purpose – activities or events that serve a valid public purpose.

02.10 University Controlled Assets – items that are not considered state- controlled assets, cost less than $5,000 (below the capitalization threshold, but more than $500), but have been determined to be maintained on the university’s inventory.

**03. RESPONSIBILITIES**

03.01 Agency Head – The university president is responsible for the custody and care of all property in the university’s possession, and will designate a property manager, as required in [Texas Government Code, Section 403.2715](https://statutes.capitol.texas.gov/docs/GV/htm/GV.403.htm).

03.02 The president has designated the director of Materials Management and Logistics as the university’s property manager. In this capacity, the property manager is the custodian of all personal property possessed by the institution and is accountable and responsible for:

a. coordinating with the General Accounting Office to assure accuracy of the property records, in accordance with generally accepted accounting principles;

b. conducting appropriate inventories and reviews of university property;

c. arranging transfers of property to facilitate utilization;

d. disposing of surplus property by means of sale, salvage, scrap, or “cannibalization;”

e. maintaining appropriate management systems for property control;

f. facilitating the best possible management of university property;

g. assisting department heads in establishing departmental systems for property and equipment management;

h. reviewing departmental documentation for the loan of university property and equipment for official use;

i. evaluating and recommending loan requests for the use of university property and equipment by non-profit organizations; and

j. establishing policies and procedures to manage university property, in accordance with The Texas State University System (TSUS) Office, state, and federal requirements.

03.03 Department heads and account managers are responsible for the daily care, maintenance, and safeguarding of property and equipment. They are responsible for:

a. timely notifying Materials Management and Logistics of any damaged or missing assets, transfers, and deletions of property and equipment in their accounts;

b. timely reporting stolen assets to Materials Management and Logistics and the University Police Department (UPD); and

c. documenting the “off-site use” of property and equipment assigned to their department for official use by university employees.

03.04 Each university employee is responsible to use property only for state purposes and to exercise reasonable care for the safekeeping of property entrusted to them.

03.05 The vice president for Finance and Support Services (VPFSS) or the associate vice president for Financial Services (AVPFS) is responsible for approving the loan of university property and equipment to a non-profit entity.

03.06 The Office of Sponsored Programs (OSP) is responsible for approving the disposition of property and equipment that is assigned to sponsored programs.

**04. PROPERTY AND EQUIPMENT MAINTENANCE**

04.01 Department Head Change – When a department head changes, Materials Management and Logistics should provide an inventory listing of university property in their span of control and explain their new responsibilities. The new department head should conduct an inventory and report their findings to Materials Management and Logistics. This will prevent the new department head from being held accountable and possibly liable for property not located during the E.V.E. inventory.

04.02 Stolen Property – The department head must report stolen property first to UPD, then to Materials Management and Logistics, immediately upon discovery.

a. The department head is expected to make every reasonable effort to learn about and document the circumstances behind the stolen property assigned to their account. The department head must submit a [Stolen Property Notification Report](http://www.materialsmgt.txstate.edu/Resources---Forms/Stolen-Property-Notification-Report.html) to Materials Management and Logistics.

b. UPD, the department head, the director of Materials Management and Logistics, and the chief information security officer, if applicable, will review the circumstances surrounding the disappearance of the property. UPD is responsible for conducting a criminal investigation, as needed. If the department head, or designee, deems that there has been negligence on the part of a university employee or student, the VPFSS will be notified by Materials Management and Logistics if deemed necessary.

c. The chief information security officer is responsible for investigating and documenting the incident with respect to the loss or unauthorized disclosure of any sensitive or confidential university information. If applicable to the incident, the chief information security officer will ensure that the university’s information security breach response plan is followed, and that breach notification requirements are met. The chief information security officer is responsible for notifying the Department of Information Resources (DIR) within 24 hours (see [UPPS No. 04.01.07](https://policies.txstate.edu/university-policies/04-01-07.html), Appropriate Use of Information Resources).

d. The director of Materials Management and Logistics, in collaboration, with the AVPFS and the VPFSS will evaluate the situation and notify the director of the TSUS Office of Internal Audit if a university employee has been or could be considered negligent for university property being missing, damaged, or stolen.

e. The director of the TSUS Office of Internal Audit evaluates the situation and determines whether and when such situations warrant notification to the chief audit executive for the TSUS Office of Internal Audit. State auditor notifications will be done by the chief audit executive of the TSUS Office or Internal Audit, or designee.

f. The director of Materials Management and Logistics is responsible for maintaining complete documentation of all such notifications to other departments and agencies.

**05. OFF-SITE USE OF UNIVERSITY PROPERTY AND EQUIPMENT**

05.01 Off-Site Use – Department heads shall maintain a log for each item of departmental property or equipment authorized for off-site use by university employees. At a minimum, the log shall include:

a. a description of the item (including the Texas State property tag number if available);

b. the name of the employee to whom the property was assigned or checked out;

c. the employee’s signature or initials captured at the time of equipment assignment or check-out;

d. the receiving employee’s signature or initials captured at the time of equipment return; and

e. the department head’s signature of approval for items that are not routinely assigned or checked out for off-site utilization.

05.02 Loan to Non-Profit Entities – In some circumstances, the university may loan property and equipment to non-profit entities for their use, provided that such use serves a public focus. The following procedures must be followed:

a. The organization must be a non-profit corporation or association as defined by federal law.

b. An authorized official of the non-profit entity must make written request to the director of Materials Management and Logistics, stating the reason the loan request is being made, the specific property or equipment being requested, and the time period it will be needed.

c. The director of Materials Management and Logistics will contact the department head responsible for the equipment and determine if they concur with loaning the equipment to the non-profit entity. The director of Materials Management and Logistics will forward the form to the VPFSS or the AVPFS for their approval.

d. Upon recommendation from the director of Materials Management and Logistics, either the VPFSS or the AVPFS must approve all requests for loans of university property to non-profit entities.

e. The director of Materials Management and Logistics will inform the non-profit entity whether the request was approved or disapproved.

f. Requests for the non-university use of university vehicles are generally not approved except under an extreme emergency condition, such as a major natural disaster.

05.03 All requests for loans of university property should be made at least 10 workdays in advance of the actual date needed to allow time for approval and arrangements. The [Non-University Function Equipment Loan Request](http://www.materialsmgt.txstate.edu/Resources---Forms/Non-University-Function-Equipment-Loan-Reqeust-Attachment-II/contentParagraph/00/document/Non_Univ_Func_Equip_Loan_Req_Att_II.pdf) must be used for this purpose.

05.04 Loans of printed material and audio-visual software and hardware by the University Libraries are exempt from this policy. Refer to the library [borrowing policy](https://www.library.txstate.edu/about/policies/borrowing.html) for more information.

05.05 Loans of property and equipment associated with externally sponsored programs may be exempt from this policy, provided that the provisions of the sponsored program require the loans. The funding source must provide written confirmation that the loan is required under the contract or grant.

**06. PERSONAL USE OF UNIVERSITY PROPERTY**

06.01 Personal use of university property and equipment is generally prohibited. Under some circumstances, state law may allow *de minimis* use with the prior written approval of the employee’s supervisor. Minor and infrequent amounts constitute *de minimis* use. Examples include an employee’s receipt of a personal communication on a university fax machine or an employee who is taking a university class using one of their office computers to type a term paper.

**07. ELECTRONIC VERIFICATION OF EQUIPMENT**

07.01 Per state regulations, at all times the property records of a university system or institution of higher education must accurately reflect the personal property possessed by the system or institution. Therefore, university personnel will periodically conduct E.V.E.s in order to help department heads try and locate university property that could be missing or damaged (see [Missing or Damaged Property Notification form](https://www.materialsmgt.txstate.edu/Resources---Forms/Missing-or-Damaged-Property-Notification-Report.html)).

**08. SURPLUS OR SALVAGE PROPERTY**

08.01 Materials Management and Logistics is responsible for the disposition and disposal of all university surplus property (see [UPPS No. 05.01.02](https://policies.txstate.edu/university-policies/05-01-02.html), University Surplus Property (Equipment and Consumable Supplies) for more information).

**09. PROPERTY TRANSFERS**

09.01 Interdepartmental transfers of property can be accomplished through one of two methods, both of which require completing an [Equipment Transfer form](http://www.materialsmgt.txstate.edu/Resources---Forms/Equipment-Transfer-Form/contentParagraph/01/document/Equipment_Transfer_Form.pdf).

a. Item Given – one department gives an item to another department; and

b. Item Sale – one department sells an item to another department.

09.02 If a department wants to give its surplus equipment to another department, both department heads **must** sign an [Equipment Transfer form](http://www.materialsmgt.txstate.edu/Resources---Forms/Equipment-Transfer-Form/contentParagraph/01/document/Equipment_Transfer_Form.pdf). Materials Management and Logistics **must** approve the transfer. The original department head is accountable until this is done.

09.03 If a department has surplus equipment that is being sold to another department at an agreed-upon price, an [Equipment Transfer form](http://www.materialsmgt.txstate.edu/Resources---Forms/Equipment-Transfer-Form/contentParagraph/01/document/Equipment_Transfer_Form.pdf) must be completed and signed by department heads in both departments and submitted to Materials Management and Logistics for approval. A notation of the “sales price” for the equipment must be noted on the form. Departments will submit an inter-department transfer (IDT) to the General Accounting Office to debit the “buying” department and to credit the “selling” department.

**10. PROCEDURE FOR RESEARCH AND SPONSORED PROGRAMS**

10.01 In addition to other authorizations outlined in this policy, disposal of property and equipment that is assigned to an externally sponsored program requires approval of the Office of Research and Sponsored Programs (ORSP). This includes sale, transfer, obsolescence, or inoperable items. ORSP review is required to assure that disposal occurs in accordance with sponsor guidelines. Proceeds from disposal of these items, generally, must be returned to the sponsor.

**11. REFERENCES**

11.01 [Texas Government Code, Section 403.2715](http://www.statutes.legis.state.tx.us/), regulates how institutions of higher education account for all property, as defined by the state comptroller.

11.02 [Texas Government Code, Chapter 2175 or 403.278](http://www.statutes.legis.state.tx.us/), describe the sale or transfer of materials or equipment that can be used for instructional purposes.

11.03 [Texas Government Code, Chapter 2054 Informational Resources, Section 2054.130](http://www.statutes.legis.state.tx.us/), describes the removal of data before disposal of data processing equipment or transferring data processing equipment to another entity.

11.04 The state comptroller's requirements for external reporting agencies and institutions of higher education not reporting to SPA per the General Appropriations Act, Article IX, Section 12.04, 82nd Legislature, Regular Session and Senate Bill 5, 82nd Legislature, Regular Session (see [Texas Comptroller of Public Accounts website](https://comptroller.texas.gov/))*.*

11.05 [Attorney General's Opinion No. M-623, dated May 4, 1970](https://www2.texasattorneygeneral.gov/opinions/opinions/44martin/op/1970/pdf/cm0623.pdf) – This opinion determined that personal property belonging to state universities could be loaned and exchanged when the purposes would in some way benefit the university and the state of Texas. The exchange of property may further the public purpose of promoting and disseminating education and culture.

11.06 On February 22, 1980, The TSUS Board of Regents, authorized the university to enter into reciprocal agreements providing for the temporary exchange or loan of university property with other non-profit entities, provided that such agreements reflect a valid state purpose.

**12. REVIEWERS OF THIS UPPS**

12.01 Reviewer of this UPPS includes the following:

Position Date

Director, Materials Management September 1 E4Y

and Logistics

**13. CERTIFICATION STATEMENT**

This UPPS has been approved by the following individuals in their official capacities and represents Texas State policy and procedure from the date of this document until superseded.

Director, Materials Management and Logistics; senior reviewer of this UPPS

Associate Vice President for Financial Services

Vice President for Finance and Support Services

President