Annual Physical Inventory Training

PROPERTY MANAGEMENT
OBJECTIVE

• To understand the duties and responsibilities assigned to departmental property custodians and gain an overview of Property Management.
TOPICS

• Who is Responsible?
• Who are the Department Property Custodians?
• What are my responsibilities if I am assigned as the Department Property Custodian?
• Why is Property Management important?
• What are capital and non-capital assets?
• How should I keep track, maintain, and/or dispose of University property?
• Whom should I contact for more guidance?
WHO IS RESPONSIBLE FOR UNIVERSITY ASSETS?

Everyone

- Head of the Agency/Institution
- Chief Financial Officer
- Property Manager
- Department Property Custodians
- Employees
  - Faculty, Staff, and Student Workers.
The person specifically responsible for the management and control of University property within the department ensuring that:

- All capital and controlled property is tagged;
- All property is used by properly trained personnel for University purposes only;
- Property is not loaned, traded, discarded, moved, or cannibalized without notifying Property Management;
- No property is defaced or damaged in any way;
- No property is returned to a vendor for warranty repair or as a trade-in without notifying Property Management;
- All obsolete and excess property is turned into Property Management for reutilization or disposal;
- Remove Equipment from Campus Request forms are updated and submitted annually to Property Management; and
- Annual physical inventory is conducted in a timely manner.
DESIGNATION OF DEPARTMENT PROPERTY CUSTODIAN

• Designation of Department Property Custodian form is due at the start of each fiscal year.

• Transfer of Department Property Custodian Responsibility form is required whenever there is a change of Department Property Custodian during the fiscal year.
  • Submit this form as soon as the Department Property Custodian changes.
  • Conduct a full physical inventory when the custodian changes.
WHY IS PROPERTY MANAGEMENT IMPORTANT?

- As an agency of the State of Texas, Lamar University follows the procedures set forth by the state and applicable Texas State University System Administrative Memoranda.
- Lamar University is responsible for property record maintenance and safekeeping of the state and federal property in its possession.
- This ensures that Lamar University:
  - Is in compliance with State Guidelines,
  - Is in compliance with Federal Guidelines, particularly those related to sponsored research,
  - Maintains accurate and timely records,
  - Maximizes the use of resources, and
  - Has proper stewardship of assets and supplies.
• The title to any equipment purchased by Lamar University is vested in the University and the State of Texas.

• Title to equipment transferred from another government agency or education institution is vested in Lamar University and the State of Texas unless the former owner notifies the University in writing of other arrangements or conditions.

• Lamar University is the sole agent to accept contracts and grants awarded to the University, and it is responsible for the disposal of any property furnished by those awards.

• Upon completion of a contract or grant, title to all property is transferred to the University immediately, unless the contract or grant is terminated, cancelled, transferred, or stated otherwise in the contract.

请与Property Management联系，如果您有关于设备的所有权问题。
CAPITAL VS. CONTROLLED ASSETS

• Capital assets
  • Assets that have a single unit value of $5,000 or greater and an estimated useful life of more than one year.
  • Must be self-contained for its primary use and have sufficient size to make its control feasible by means of marking with identification numbers and/or manufacturer’s serial numbers.
  • Reported on annual financial report.

• Controlled assets
  • Assets that the State Comptroller’s office or Lamar University determines must be secured and tracked due to the nature of the item.
  • Threshold depends on asset and has an estimated useful life of more than one year. Refer to Most Commonly Used Banner Account for Capital and Controlled Tagged Assets for more information.
  • Classified as expendable and are not listed on annual financial report.
COMMON MISCONCEPTIONS IN SELECTING ACCOUNTS FOR ASSETS

• Unit Cost vs. Total Cost
  • If more than one unit is purchased, consider the unit cost when selecting the account, not the total cost of all of the units combined.
    • Example: Office desk may have multiple line items. The value of the line items that make up the desk is one unit, but will not be combined with chairs, filing cabinets, etc. when determining the unit value.

• Computer Equipment vs. Computer Accessories
  • Use account code 720018 for computers, laptops, tablets, or servers with a cost of less than $5,000 per unit. An example of a unit is computer, monitor, keyboard, mouse, etc. when purchased together.
  • Use account code 720017 for computer accessories (i.e. monitor, mouse, keyboard, etc.) when purchased separately from the computer equipment.
TAGGING ASSETS

- A property tag must be affixed to all tangible items that are Capital or Controlled assets. Contact Property Management if your department:

  - Receives a capital or controlled asset that is missing the property tag.
  - Receives a capital or controlled asset as a donation or gift so it can be tagged and added to inventory correctly.
  - Fabrics or assembles from raw materials and/or components assets that should be tagged as a capital or controlled asset.
  - Makes improvements or betterments that add cost to any existing tagged asset.
Lamar University is required by state statute to conduct an annual inventory of all capital and controlled assets both on and off campus. [Texas Gov’t. Code Ann. § 403.273 (f) and (g)]
CONDUCTING THE ANNUAL INVENTORY

• Your department will receive inventory instructions, a certification form, and an inventory spreadsheet listing all capital and controlled assets.

• Two departmental employees should perform the physical inventory.
  • Consider using cross-department personnel.
  ❖ Do not use student workers.

• Verify:
  • Property description,
  • Property serial number,
  • Building and room number where the property is located, and
  • Who/where the property is assigned to. If not assigned to one employee, classroom, or lab, leave blank.

❖ Put all corrections in the comment section of the inventory spreadsheet.
CONDUCTING THE ANNUAL INVENTORY (CONTINUED)

• Notate in the comment section of the inventory spreadsheet if the property tag is missing.
• Select the current condition of the asset using the drop menu on the inventory spreadsheet. The choices are: good, fair, poor, or damaged.
• Found Asset Not on Inventory form
  • Any tagged asset not on your department’s inventory list.
  ◆ Another department may be looking for this asset
  • Any asset that is not tagged, but should be.
• Equipment Transfer Request form
  • Transfer assets from one department’s inventory to another department’s inventory.
  ◆ The form must be signed by both Department Property Custodians prior to sending it to Property Management.
EXCESS PROPERTY

• A walkthrough of the department may identify excess materials or idle equipment.

• Review available excess property before procuring new items. Excess should be the first source of supply.

• Can the excess property be:
  • Reutilized within the department, College, or University?
  • Repaired or improved to extend its usefulness?
  • Used as a trade-in on the purchase of an asset?
    ❖ Coordinate with Property Management on all trade-ins.

• If the excess property is not needed, a Surplus Removal Request or IT Equipment Removal Request form should be completed and sent to Property Management.
SURPLUS REMOVAL REQUEST

• The form is for all assets without a hard drive.
  • Examples: furniture, projectors, TVs, printers, used or obsolete inks and toners, keyboards, monitors, etc.

• Please fill the form in as completely as possible.
  • If the asset has a property tag or tag number, make sure it is on the form.
  • If the asset has a serial number, please include it.

❖ Property Management is unable to update the department’s inventory unless the property tag number is provided.
IT EQUIPMENT REMOVAL REQUEST

• The form is for all assets that may have a hard drive.
  • Examples: All computers, laptops, servers, tablets, and copiers.

• Please fill the form in as completely as possible.
  • Tag number must be included.
  • A good description must be included.
    • Indicate type of asset (computer, laptop, etc.), brand (Dell, Apple, etc.), and model (OptiPlex 3010, iPad, etc.).
  • Serial number must be included.

❖ All incomplete forms will be returned to the department for correction.
MISSING, DAMAGED, OR STOLEN PROPERTY

- Missing, Damaged, or Stolen Property Investigation Report
  - Only complete after an extensive search to locate the asset is performed,
  - Must have Department Property Custodian, Dean/Department Chair, and Vice President’s signatures before sending to Property Management, and
  - Must have LUPD Police Report number before sending to Property Management.

- Missing and/or stolen property will remain on the department’s inventory for two years after Property Management receives the completed report.

- If employee reimbursement is required, the property will remain on the department’s inventory until Lamar University and the State of Texas are reimbursed.
UNIVERSITY PROPERTY OR EQUIPMENT LOCATED OFF CAMPUS

• The Department Property Custodian must authorize employees to remove University assets from campus.

• **Prior** to removing tagged or untagged equipment from campus:
  • Property Management must have a current Remove Equipment from Campus Request form on file for assets requested for fiscal year, or
  • The department must have a current University Property/Equipment Checkout on file for assets requested for less than a semester.

• University assets located off campus are required to be verified during the physical inventory.
COMPLETING THE INVENTORY

- The Department Property Custodian must verify that the inventory has been completed by signing and dating the Physical Inventory Certification, which reads:

  “By signing below, I confirm this department has completed an actual physical verification of equipment with the assigned inventory listed as required by Texas Gov’t. Code Ann. § 403.273 (f & g). I understand that I am under financial liability for loss or damage to any property on my department’s inventory if the loss or damage results from my negligence, intentional act, or failure to exercise reasonable care, safeguard, maintain, and service the property.”

- Submit all paperwork to Property Management before March 27, 2020.
PHYSICAL INVENTORY VERIFICATION

- Supplemental Physical Inventory Audit
  - Conducted by Property Management of approximately 1% or greater of campus assets.
    - Sample includes assets located both on and off campus.
    - Selected assets should reconcile to the master records with 99% accuracy.
  - Any department with unfavorable results will be required to redo its annual physical inventory.

- Property Management audits all firearms.
  - Firearm inventory must reconcile to master records with 100% accuracy.

- University Internal Auditors and State Auditors may periodically examine Property Management records and the physical location of equipment to determine if controls are adequate to safeguard State property.
PROPERTY MANAGEMENT FORMS

- Acknowledge Receipt of Gift-in-Kind or Loaned Inventory
- Designation of Department Property Custodian
- Equipment Cannibalization Record
- Equipment Transfer Request
- Improvement and Betterment of Existing Asset
- Inventory Tag Request for Fabricated Equipment
- IT Equipment Removal Request

- Missing, Damaged, or Stolen Property Investigation Report
- Remove Equipment from Campus Request
- Surplus Removal Request
- Transfer of Department Property Custodian Responsibility
- University Property/Equipment Checkout
- Warranty Equipment Replacement Request
PROPERT Y  MANA GEMENT  DEPARTM EN T

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COMMENTS OR QUESTIONS