Annual Physical Inventory Training
Objectives

To understand the duties and responsibilities assigned to departmental property custodians and gain an overview of the inventory process.
Topics

What are the responsibilities of a Property Custodian?

Who are the Department Property Custodians?

Why is Property Management important?

How should I keep track, maintain, and/or dispose of University property?

How to complete year end inventory?
**What are Department Property Custodians?**

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 for University purposes only by property trained personnel.
- 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 as a trade-in without notifying Property Management.
- All obsolete and excess property is turned into Property Management for disposal or redistribution.
- Annual physical inventory is conducted in a timely manner.
Designation of Department Property Custodian

- Every Department has a Property Custodian Appointed by the Division/College Administrator annually.
- Form should be submitted at the beginning of every fiscal year.

Transfer of Department Property Custodian Responsibility form

- When responsibility needs to be transferred in the middle of the fiscal year.
- Form should be submitted as soon as the Department Property Custodian changes.
- Both outgoing and incoming signatures are required along with a witness signature.
- If outgoing Property Custodian can no longer be reached for a signature, please provide signature of his/her direct report.
- 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 and Federal Guidelines.
- Maintains accurate and timely records.
- Maximizes the use of resources.
- Has proper stewardship of assets and supplies.
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.

The title to any equipment purchased by Lamar University is vested in the University and the State of Texas.
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 spreadsheet listing all capital and controlled assets
- A Physical Inventory Certification form
Inventory Instructions

1. Identify assets
2. Notate mistakes on inventory sheet
3. Complete accompanying forms
4. Sign Inventory Certification form
5. Submit all to LogisticalSupport@lamar.edu
Two departmental employees should perform the physical inventory.

Consider using cross-department personnel.

Do not use student workers.

These individuals SHOULD NOT be responsible for the property being inventoried, or for the day-to-day accountability of the assets being inventoried.
Identify

Verify all the following fields are correct on the Inventory sheet:

<table>
<thead>
<tr>
<th>Tag #</th>
<th>Description</th>
<th>Serial #</th>
<th>Building</th>
<th>Room Number</th>
<th>Assigned to (if applicable)</th>
</tr>
</thead>
</table>

Notate if LU property tag is missing.

LOCATION IS REQUIRED ON ALL ASSETS
<table>
<thead>
<tr>
<th>Property#</th>
<th>Description</th>
<th>In-Service Date</th>
<th>Serial#</th>
<th>Acquisition Cost</th>
<th>Bldg.</th>
<th>Room</th>
<th>Assigned To</th>
<th>Dept</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>123456</td>
<td>Laptop</td>
<td>5/29/2010</td>
<td>1111112</td>
<td>$1,520.00</td>
<td>GL</td>
<td>312</td>
<td></td>
<td></td>
<td>Test</td>
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<td>1111113</td>
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<td>Test</td>
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<td>5/29/2010</td>
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<td>Test</td>
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<tr>
<td>123459</td>
<td>Projector</td>
<td>5/29/2010</td>
<td>1111115</td>
<td>$4,564.95</td>
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<td>Test</td>
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<tr>
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<td></td>
<td>Test</td>
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</table>
Notate all changes in the **NOTES** field.

Notating an error is **not** solely sufficient for change, corresponding forms are required.

All other cells are **locked**.

This is done to protect the Integrity of the information.

The notes field has "wrap text" on, the cell will grow as you type.

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<td>312</td>
<td>Test</td>
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</tbody>
</table>
## What items are inventoried

### Always (Controlled)
- Computers – Desktop, Laptop, and Servers
- Smartphones, Tablets, and Other Handheld Devices
- TV ≥ 40"
- Weapons

### More than $500 but less than $5,000 (Controlled)
- Audio and Sound Equipment
- Cameras and Camcorders
- Drones
- Projectors
- VCR and DVD players

### More than $5,000 (Capitalized)
- Copying equipment or printer
- Furniture (individual unit not set)
- Lab equipment
- Tools
- Vehicles
- All the Above

**Most Commonly Used Banner Account for Capital and Controlled Tagged Assets**
**Found Asset Not on Inventory**
- Any tagged asset not on your department’s inventory list – *another department may be looking for this asset.*
- Asset that is not tagged but should have been.

**Equipment Transfer Request**
- Transferred between physical locations.
- Transfer ownership to another department.
- Transfer Items from surplus to department.

**Surplus Removal Request**
- For the removal of property without a hard drive from a department’s inventory.
- Be on the lookout for out or underutilized equipment.

**IT Equipment Removal Request**
- For the removal of property that has a hard drive from a department’s inventory.
Equipment Cannibalization Record
- Removing parts or subsystems necessary for repair from another similar device, rather than from inventory, usually when resources become limited.

Improvement and Betterment of Existing Asset
- Major modifications of an existing asset that will significantly increase its efficiency or the quality of the asset.

Inventory Tag Request for Fabricated Equipment
- Scientific or other complex equipment comprised of several individual components that are fabricated/built into a single functional unit.

Warranty Equipment Replacement Request
- For when an asset is going to be replaced by warranty.
Paperwork / Forms Continued

**Missing, Damaged, or Stolen Property Investigation Report**
- Only complete after an extensive search to locate the asset is performed.
- Make sure the LUPD Police Report number is on the form before sending it to Property Management.
- Obtain the Department Property Custodian, Dean/Department Chair, and Vice President’s signature,
- Missing and/or stolen property will remain on the department’s inventory for two years.

**Remove Equipment from Campus Request**
- University assets located off campus must be verified for the physical inventory.
- If the employee is unable to bring the asset to campus, the Department Property Custodian may use a photo as verification. The photo does not need to be submitted with the inventory, but it should be available for review if requested.
- Form is good for **one** year.
Inventory Criteria and Dates

Any department with unfavorable results will be required to re-do its annual physical inventory.

Departments turn in the inventory sheet and all accompanying forms into Property Management by June 15th.

Property Management completes inventory and supplemental audit by August 31, the last day of the fiscal year.

Submit electronically if possible.
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."
Supplemental Physical Inventory Audit

An audit of approximately 1% or greater of campus assets is conducted by Property Management.

- Sample includes assets located both on and off campus.
- Selected assets should reconcile to the master records within 99% accuracy.

Property Management will audit all firearms.

- Must reconcile to master records with 100% accuracy.

Property Management, Internal Audit, and State Auditors may periodically examine property records or inventory to determine if controls are adequate to safeguard state property.
Chad M. Morris Jr.
Property Coordinator

(409) 880-1886
Cmorris13@lamar.edu
Logisticalsupport@lamar.edu
Property Management forms

Acknowledge Receipt of Gift-in-Kind or Loaned Inventory
Designation of Department Property Custodian
Equipment Cannibalization Record
Equipment Transfer Request
Found Asset Not on Inventory

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

All forms can be found on the Property Management website:
Property Management - Lamar University