
LAMAR UNIVERSITY
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Financial Services

MAPP 05.03.07

AREA: Controller

Property Management

I. POLICY

- A. The Lamar University (LU) Department of Property Management coordinates the proper management of the University's physical assets through careful oversight and inventory of these assets.

II. PURPOSE AND SCOPE

- A. This policy falls under the authority of the Texas State University System (TSUS) Rules and Regulations; the State of Texas' Statewide Property Accounting (SPA) Process User's Guide; Texas Government Code, Title 10, Subtitle D, Chapter 2175 Surplus and Salvage Property; and other applicable state laws, statutes, rules, and regulations governing management of state property.

III. DEFINITIONS

- A. This policy uses the Statewide Property Accounting (SPA) Process User's Guide to identify the following property:

1. **Capital Assets.** All personal property and capital outlay with \$5,000.00 or greater value and one year or greater estimated useful life.
2. **Controlled Assets.** State assets that the Texas State Comptroller's Office determines must be secured and tracked due to the nature of the items. These assets are not capitalized assets, real property, nor improvements to real property or infrastructure. The LU Property Management Department can also track items other than those on the list provided by the State Comptroller's Office. The Department of Property Management inventories the following controlled assets:
 - **Of Any Value:** personal computers, computer servers, tablets and smartphones, and firearms.
 - **\$500 or More:** cameras and camcorders, drones, projectors, sound systems and other sound equipment, video players/recorders, and televisions.

IV. PROPERTY MANAGEMENT FORMS

- A. The forms mentioned in this policy are posted to the Department of Property Management web page for use by LU employees. University employees who have questions about these forms should contact Property Management for assistance.

V. ROLES AND RESPONSIBILITIES**A. UNIVERSITY**

1. LU is responsible for ensuring that property is tracked and secured in a manner that is most likely to prevent theft, loss, damage, or misuse. LU takes all necessary precautions to ensure that property is secured.
2. LU must know at all times where all property under its control is located and should be able to locate any given asset upon request.
3. LU ensures building security at all times. Individuals in charge of security must notify the Property Management Department of any violations or changes to security that could expose University property to misuse or theft.
4. Property checked out to an LU employee must be used for official University business only. The University bears responsibility for stewardship and care of the property at all times.

B. LU PRESIDENT (Agency Head)

1. The responsibility for custody and care of state agency property lies with the agency head, in this case the LU President. The President should ensure that the University maintains adequate internal control procedures. At the request of the University, the State Auditor Office (SAO) can review and evaluate the University's internal control procedures.
2. Each agency head must designate a Property Manager and then complete the **Notice of Agency Head and Designation of Property Manager form (73-286)** to inform the State Comptroller's Office of the designee. With the approval of the State Comptroller's Office, the President may designate more than one Property Manager. The President is still responsible for University property and for ensuring that the Property Manager carries out the duties prescribed by the State Comptroller's Office.
3. The President must ensure that the procedures for accountability and safeguarding of the University's property are distributed. All University procedures must comply with the rules and requirements of the State Comptroller's Office.
4. The President must provide the Property Manager or alternate Property Manager with copies of the rules, procedures, and other appropriate documentation for managing the University's property as formulated by the State Comptroller's Office. The

President must ensure that each Property Manager or alternate Property Manager receives training in the rules, policies, procedures, and system operations as administered by the State Comptroller's Office.

5. To ensure continual care of property and to assign specific liability for property, a new President should have a physical inventory conducted on all personal property belonging to the University.

C. PROPERTY MANAGER

1. The Property Manager is the custodian of all property in the possession of the University and is responsible for maintaining the required records. The Property Manager has update capabilities for all system information for the University.

D. DEPARTMENT HEAD/PROPERTY CUSTODIAN

1. Each Department Head is the Property Custodian of his/her department. This responsibility cannot be delegated. Department Heads/Property Custodians are responsible for the physical possession and control of all equipment entrusted to their department.
2. The Department Head/Property Custodian is responsible for the following:
 - Physical possession and control of all equipment entrusted to the activities within his/her department.
 - Appoint a responsible Equipment Manager and notify the Property Management Department when Equipment Manager changes are made.
 - Verify that the Equipment Manager has signed the Equipment Manager Responsibility Statement.
 - Ensure that all department employees are trained in their respective responsibilities for property processing and/or custodianship.
 - Establish and maintain property records for his/her department.
 - Establish inventory management procedures within his/her department in compliance with all applicable State of Texas and TSUS regulations and LU policies and procedures.
 - Transfer equipment that is no longer needed within the department to LU Property Surplus in a timely manner.
 - Notify and report any missing or stolen property to the Property Management Department and all appropriate agencies within 24 hours of discovery.
 - Conduct a physical inventory and certification of current inventory on an annual basis.
 - Manage and control equipment that is assigned or on loan at a location outside the department.

Note. If there is a change in Department Head, the department must submit a Transfer of Department Property Custodian Responsibility form to the

Property Management Department in a timely manner. The incoming Department Head/Property Custodian should complete a full inventory check before signing this form, to ensure knowledge of what is being taken responsibility for.

E. EQUIPMENT MANAGER

1. The Equipment Manager's duty is to perform daily property activities. This will not relieve the Department Head/Property Custodian of any responsibility. The Equipment Manager will only be responsible for exercising "reasonable care" and will not be held ultimately responsible for the department's equipment.
2. The Equipment Manager is appointed by the Department Head/Property Custodian's. Property Management Department will use the Equipment Manager as the department's primary property contact.
3. The Equipment Manager is responsible for the following, as outlined by the Equipment Manager Responsibility Statement:
 - Ensure that all equipment is used for approved University purposes and not for personal purposes or gain, except as authorized by the University's incidental use policy.
 - Ensure equipment is always accessible for audit purposes.
 - Report missing or stolen property to the Property Management Department and Department Head/Property Custodian within 24 hours of discovery.
 - Inform the Property Management Department of site/building/room location changes for equipment.
 - Coordinate with the Property Management Department for proper removal of equipment to Property Warehouse, Surplus, etc.
 - Inform the Property Management Department of changes in custodian and/or end user.
 - Assist Property Management in conducting the yearly inventory verification of the department's assets.

Note. If there is a change in Equipment Manager, the department must submit a new Equipment Manager Responsibility Statement to the Property Management Department in a timely manner.

F. EMPLOYEE

1. It is each state employee's responsibility to use property only for state purposes and to exercise reasonable care for its safekeeping. It is the employee's responsibility to report any stolen property to the LU Police Department (LUPD) or the appropriate law enforcement agency and to report stolen or missing property to the Department Head/Property Custodian immediately.

2. The Property Manager may entrust property to a person only when the person provides a signed and dated Request to Remove Property from Campus form to the Property Management Department. The form must include a detailed list of the property entrusted to the individual.

G. DEPARTMENT

1. Departments are expected to support Property Management's goal of maintaining an accurate inventory of property in each department.
2. The Department Head/Property Custodian must ensure that the department maintains adequate internal control procedures.
3. Each department must honor the following responsibilities for its assets:
 - Ensure that property is tracked and secured in a manner that is most likely to prevent theft, loss, damage, or misuse.
 - Take all necessary precautions to ensure that property is secured.
 - Know at all times where all property under its control is located, have a method for locating all property on-site or off-site, and be able to locate a given item upon request.
 - Ensure that state employees use property only for state purposes and, while the property is in use by employees, exercise reasonable care for its safekeeping.
 - Immediately report any missing property to the Property Management Department using the Missing, Damaged, or Stolen Property Investigation Report.
 - Immediately report any stolen property to the LUPD or the appropriate local law enforcement agency and to the Property Management Department by using the Missing, Damaged, or Stolen Property Investigation Report. In addition, a copy of the LUPD or investigating agency's report and a Police Report Number is to be submitted to the Property Management Department.
 - Mark, identify, and track any state property in the department's possession that is not controlled or capitalized by Property Management.
 - Perform an annual inventory as requested by the Property Management Department.

VI. ANNUAL PHYSICAL INVENTORY

- A. LU conducts an annual physical inventory of property in the University's possession. LU follows accepted best practices to conduct its annual inventory.
- B. Property inventories must be conducted by individuals (Verifiers) who are not responsible for the property being inventoried or for accounting for it on a day-to-day basis. To ensure segregation of duties, the Department Head/Property Custodian and the Verifier cannot be the same person.

- C. The annual physical inventory takes place as follows:
- Each year at an appointed time, the Property Management Department sends each department an Annual Inventory Certification form and a list of all assets assigned to that department (missing items indicated with a missing date).
 - The Department Head sends the form and list of assets to the department's designated Verifier(s), who check department inventory against the list of assets and identify any changes in inventory. Verifier(s) must be able to ensure that each asset is still within the department's possession, be able to identify the asset's location, and provide the names(s) of the person(s) responsible for the asset. The condition of each asset must be evaluated and recorded during the annual physical inventory. Missing, damaged, or stolen items and other discrepancies are noted.
 - After completing this review, Verifier(s) return the Annual Inventory Certification form and list of assets (amended if needed) to the Department Head. After reviewing and approving these documents, the Department Head submits the Annual Inventory Certification form, list of assets (amended if needed), and Annual Inventory Report to the Property Management Department by the deadline established by Property Management.
 - If a department does not submit the completed documents to Property Management on or before the deadline, Property Management notifies, in writing, the Chief Finance Officer (CFO) or designee, who follows up with the department.
- D. Any discrepancies in property information detected during the annual physical inventory must be corrected immediately. In addition to the required annual physical inventory, LU departments are encouraged to conduct more frequent inventories to ensure the accuracy of reported property information. Periodic inventories may use statistical sampling, dollar sampling techniques, or other acceptable methods on a regularly scheduled basis.

VII. CONDITION OF ASSETS

- A. LU employees use the following definitions to determine an item's condition and indicate the condition of the asset on inventory forms, lists, and reports:
- **New** - New or excellent condition.
 - **Good** - Somewhat used or reconditioned property that, while still in usable condition, is slightly shopworn, soiled, or otherwise precluded from being considered "new."
 - **Fair** - Property that is soiled, shopworn, rusted, deteriorated, or damaged to the extent that utility is slightly impaired; *or* reconditioned property that has been repaired or renovated but has since deteriorated and which needs or may need additional repair or renovation in the near future.
 - **Poor** - Property so badly broken, soiled, rusted, mildewed, deteriorated, or damaged that its utility is seriously impaired; *or* property that has been repaired or renovated but has since seriously deteriorated due to factors such as major wear and tear, corrosion, or exposure to weather.

- B. LU employees indicate the condition of an asset on inventory forms, lists, and reports at the following points:
- when first reporting the property asset.
 - for each annual inventory.
 - at the time the asset is requested to be brought to the surplus warehouse.

VIII. SPOT-CHECK AUDIT

- A. Property spot-check audits are conducted by the Property Management Department to allow for independent verification of inventory. A list is drafted and documented of approximately 1% or greater of campus assets; the sample includes assets located both on and off campus. Property Management verifies the selected assets, and this process should reconcile to the master records within 99% accuracy. Spot-check audits will not be performed during the annual physical inventory.
- B. The Property Management Department, LU Office of Internal Audit, and State Auditors may periodically examine property records or inventory to determine if controls are adequate to safeguard state property.

IX. SURPLUS PROPERTY

- A. Each department must identify and notify the Property Management Department of assets that are no longer required. This includes property that is surplus, obsolete, and/or broken. No property is to be “junked” or placed in the trash. A Surplus Removal Request form must be prepared and submitted to Property Management. Property Management will review, and if approved, the University’s Shipping and Receiving staff will schedule a pick-up of these items and transfer them to the University’s Surplus Property Warehouse.
- B. It is imperative that all devices capable of storing University information be sanitized in a way that will make data recovery impossible. To ensure this, Property Management will have all hard drives pulled and wiped from any surplus computers or computer equipment.
- C. Once wiped, surplus computers and computer equipment are palletized and shipped to the Texas Department of Criminal Justice.

X. MISSING PROPERTY

- A. Any property that cannot be located or has disappeared without an explanation is considered missing property. Departments must report missing property immediately to the Property Management Department using the Missing, Damaged, or Stolen Property Investigation Report. If the property is determined to be missing during the annual physical inventory, the property can be listed as missing on the Annual Inventory Certification form, but the Missing, Damaged, or Stolen Property Investigation Report must also be completed at that time. If the property is found at some later date, Property Management must again be notified by using a copy of the original Missing, Damaged, or Stolen Property Investigation Report specifying the date the item was located and/or returned.

- B. Missing property will remain on a department's missing assets list for two years. If the missing property is not found within that two-year period, it will be deleted from the department's missing assets list.

XI. EMPLOYEE NEGLIGENCE

- A. When any state property has been lost, destroyed, or damaged through the negligence or fault of any LU employee, that employee may be responsible for reimbursement. The Property Management Department and the State Auditor conduct an investigation in these cases. If the investigation discloses that injury has been sustained by the state through the negligence or fault of a University employee, the State Auditor makes written demand upon the employee for reimbursement to the state for loss. The University deducts this amount from the salary of the employee responsible.

XII. STOLEN PROPERTY

- A. LU employees should immediately report any stolen property to the LUPD or appropriate local law enforcement agency and to the Property Management Department by using the Missing, Damaged, or Stolen Property Investigation Report. In addition, a copy of the LUPD or investigating agency's report and a Police Report Number is to be submitted to the Property Management Department.
- B. In addition to reporting stolen property to the LUPD or appropriate local law enforcement agency and to the Property Management Department, LU employees should immediately report theft of all technology equipment to LU Information Technology.

XIII. REMOVAL OF PROPERTY FROM CAMPUS

- A. LU employees may take LU (state) property off campus for official business of the University. LU's Property Manager may entrust property to a person only when the person provides a signed and dated Remove Equipment from Campus Request to the Property Management Department. This form must include a detailed list of the property entrusted to the individual. The form must be filled out and approved by Property Management prior to removal of the property from campus. The signed form may remain in effect until the last day of the current fiscal year (August 31). At that point, property must be returned to campus, or a new form for that fiscal year should be filled out and submitted to Property Management.
- B. For property approved to be removed from campus, each department is responsible for ensuring that the property is tracked and secured in a manner most likely to prevent theft, loss, damage, or misuse. The department must take all necessary precautions to ensure that the property is secured. Departments must know at all times where all property under their control is located, should have a method for locating all property on or off campus, and should be able to locate a given item upon request.
- C. It is each LU employee's responsibility to use LU property for official University business only and to exercise reasonable care for its safekeeping.

- D. The employee taking property off campus accepts full financial responsibility and shall be liable for any loss sustained by the state. Employees accept the responsibility for information security for data stored on any computer equipment lost or stolen. The employee agrees to notify LU Information Technology if there is a possibility of sensitive information being compromised. The employee is responsible for reporting if theft occurs to the LUPD or appropriate law enforcement agency and to the Property Management Department.
- E. University property located off campus must be verified for the annual physical inventory. If the employee is unable to bring the asset to campus, the Department Head/Property Custodian may use a photo as verification. The photo must be of the asset with the property tag visible and a time stamp. The photo does not need to be submitted with the inventory, but it should be available for review if requested.
- F. When LU property is returned to campus, Property Management must be notified by using a copy of the original Remove Equipment from Campus Request form, specifying the return date.

XIV. TAGGING OF PROPERTY

- A. All property that is capitalized or designated as a "controlled" asset must be marked or tagged as property owned by the University with the exception of real property. Marking is considered acceptable when it can be removed only through considerable or intentional means. Property number labels must be highly visible and easily accessible during the annual physical inventory.

XV. CAPITALIZATION OF REAL PROPERTY

- A. Real property assets will be capitalized when substantial completion contract documents are executed, when an asset is occupied, or when an asset is placed into service.

XVI. TRANSFER OF PROPERTY

- A. LU follows the State Comptroller Office's rules and procedures regarding the accounting for and transfer of property between state agencies, with or without reimbursement. The property continues to be reported by the transferring agency until the receiving agency completes the transfer.
- B. It is the responsibility of the transferring agency to ensure that the receiving agency acknowledges receipt of the property. The transferring agency should also maintain documentation to show the property was transferred to another agency.
- C. When property has been purchased through the master lease financing program and has not been paid off, the Texas Public Finance Authority must approve any transfer in advance. The transfer must be done in a manner prescribed by the agency.
- D. A department may request to have responsibility of an asset transferred to another department. This can be accomplished by sending a completed equipment transfer

request, signed by both the giving and receiving department's Department Head/Property Custodian, to the Property Management Department.

XVII. LOAN OF PROPERTY

- A. State agencies, including LU, loaning property to other state agencies or entities do not absolve themselves from the responsibility of ensuring stewardship of the property or the reporting requirements for the property. Reporting of the property must continue as though the loaning agency still has possession of the property. Only the LU Property Manager is authorized to loan property to other agencies.
- B. The loaning agency also maintains documentation on the provisions of the loan. All loaned property must be reported in the annual physical inventory of the loaning agency. A Missing, Damaged, or Stolen Property Investigation Report is required on all property loaned to another state agency or entity.

XVIII. DISPOSAL OF PROPERTY WITH SENTIMENTAL ATTACHMENT

- A. An employee who has given long and dedicated service to the University and who has sentimental attachment to furniture or equipment may, with the approval of the appropriate Vice President/Chief Officer and the University President, purchase an item as a keepsake provided the purchase is in good faith and for fair market value. **The item requested may not be a controlled or capitalized asset that was purchased with state-appropriated funds.** The value of a given item must be determined by appraisals submitted by the LU Property Manager and one other individual knowledgeable in such values. This same procedure may be followed in the event an employee dies and the family would like to obtain an item that has sentimental value.

XIX. SURPLUS PROPERTY REALLOCATION AND SALES

- A. Surplus Property Reallocation and Sales are also functions of the Property Management Department. LU departments may visit the Property Surplus Warehouse by appointment, to view property and arrange to have it reallocated for their use. Items that are of no use to departments are sold at periodic auction sales or by several methods of bidding.

XX. CANNIBALIZATION OF SALVAGE PROPERTY

- A. "Cannibalization" of property is the process of removing parts or subsystems necessary for repair from another similar device, rather than from inventory, usually when resources become limited.
- B. The Property Management Department requires a written request from a department to cannibalize a piece of equipment that is worn out, damaged, or obsolete. The request must include the property number of the piece of equipment to be cannibalized. If approval is granted by the CFO or designee, the requesting department and the Property Manager will complete an Equipment Cannibalization Record form.

XXI. DISPOSAL OF FIREARMS AND PUBLIC SAFETY EQUIPMENT

- A. The disposal of firearms, ammunition, tear gas, and radios shall be at the discretion of the Director of the LUPD or his/her designee. LUPD members may not convert such items to their personal ownership, and the Director of the LUPD may not sell these items to members of the public. The Director of LUPD may trade firearms, including those that LUPD has confiscated, to vendors for replacement equipment or issue them to officers as on-duty weapons. LUPD will destroy non-tradeable items (weapons involved in the commission of a crime) or dysfunctional weapons and maintain a complete record of destroyed items and the method of destruction. LUPD will provide to the Property Management Department a record and picture of the destroyed items.
- B. The Director of the LUPD or designee will authorize the destruction of, or trade for replacement items, non-serviceable or outdated uniforms, badges, and emergency equipment.
- C. A retiring police officer has the option to purchase the service weapon previously issued to him/her at fair market value. The Director of the LUPD will provide two independent and current appraisals for the equipment at the time of the request.

XXII. REVIEW AND RESPONSIBILITY

Responsible Party: Chief Financial Officer

Review Schedule: Every three years on or before September 1

XXIII. APPROVAL

_____ Jamie Larson Chief Financial Officer	05/06/2022 _____ Date
_____ Dr. Jaime R. Taylor President	05/07/2022 _____ Date

REVISION LOG

Revision Number	Date	Description of Changes
1	04/21/2022	Version created.
	05/07/2022	Version approved by President.