

California State University, East Bay Property Management

Policies And Procedures

PROPERTY MANAGEMENT POLICIES AND PROCEDURES

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PROPERTY MANAGEMENT POLICIES AND PROCEDURES

1.0 INTRODUCTION

Cal State East Bay adheres to CSU policy pertaining to acquisition, use and disposition of equipment. Chancellor's Executive Order 649 delegates authority to campus presidents to establish and maintain a system of internal controls to safeguard University equipment.

Adherence to these procedures will facilitate accurate record keeping related to the acquisition, maintenance, control, and disposition of equipment. The combination of accurate accounting records and strong internal controls shall be in place to protect against and detect the unauthorized use of University property.

2.0 DEFINITIONS

2.1 Definition of Equipment

Equipment has a normal useful life of at least one year, is not permanently attached to or incorporated in university buildings and grounds, and is used to conduct university business.

Equipment acquired by the University is owned by the University and not with a particular school, department or individual regardless of funding source, whether purchased, donated, transferred, manufactured or obtained through other means.

2.2 Instructional Equipment

Instructional equipment is defined as equipment assigned to and used by "instructional" departments.

2.3 Capitalized Equipment

Capitalized equipment for the University is defined as equipment and software valued at \$5,000 or more. Capitalization means to record the property in the accounting records as assets. Detailed guidelines on capitalization of assets are in the Capital Assets Guide issued as part of the California State University GAAP Reporting Manual.

2.4 Non-capitalized Equipment

Non-capitalized property is defined to include tangible, non-consumable property with an acquisition cost of at least \$500, but less than \$5,000. Non-capitalized equipment has a normal useful life of at least one year, is not permanently attached to or incorporated in university buildings and grounds, and is used to conduct university business. Examples of this type of property include: computers, printers, palm held devices, scanners, camera equipment, projection units, portable tools, field testing equipment, musical instruments, etc.

2.5 Furniture

Furniture would include desks, bookshelves, chairs, and file cabinets. Furniture with an acquisition cost of \$5,000 or greater is considered capitalized equipment and should be identified with a university property number.

3.0 RESPONSIBILITIES

3.1 Division Responsibilities

Each division vice president has the primary responsibility for the safeguarding of all property assigned to the respective division, and the responsibility to oversee and adhere to these policies and procedures. Division vice presidents may delegate Property Custodian duties to deans, managers, or other employees, who may be referred to as Property Managers.

3.2 Property Manager's Responsibilities/Duties

The Property Manager's Responsibilities are to:

- Oversee the department property program and the respective Property Custodian
- Review and/or Approve the following:
 - Inter-Departmental Property Transfers
 - Loans of University equipment
 - Property Custodian changes
 - Annual department inventory
 - Missing Asset Report

3.3 Property Custodian's Duties

The Property Custodian's duties are to:

- Ensure the proper use and maintenance of all property and equipment assigned to them.
- Maintain up-to-date departmental records and initiate the appropriate actions or forms to fully inform the University Property Coordinator of all transactions involving said property so that the Property Coordinator's responsibilities may be properly carried out.
- Maintain current, complete, and accurate property records and track the assignment of equipment within the department, including the use of the Equipment Loan Agreement form. The Property Custodian is also responsible for communicating with the Property Coordinator regarding receipt of equipment that is to be tagged and notification of loss, theft, disposal, or transfer of equipment.
- Maintain warranty information and supporting purchase documents.
- Ensure that any lost or stolen equipment is reported to Property Coordinator and University Police immediately.

- The Property Custodian is responsible for the inventory and safeguarding of all property held by the department(s) that the Property Custodian represents. Property becomes assigned to a department if the department holds or uses that property.

3.4 University Property Coordinator Responsibilities

Equipment tagging, tracking, and maintenance of University equipment records are responsibilities of the Property Coordinator. This function is part of the Administration and Finance Department.

The application of the identification number to equipment is the joint responsibility of the Property Coordinator and the University Central Receiving Department.

Coordination of the performance of equipment inventory is the responsibility of the Property Coordinator. It is the intent that each department is inventoried annually.

Supporting documentation for additions, deletions and changes is maintained with the Property Coordinator and made available to Administration and Finance as needed for reconciliation and documentation.

3.5 Property Survey Board Responsibilities

The University shall have a duly appointed Property Survey Board. The Vice President of Administration and Finance appoints the members of the Property Survey Board. It will be the responsibility of the Board to determine that the best interest of the University is served in disposing of University property. To the extent possible, there will be a sufficient number of members on the Board so that both business management and program responsibilities will be represented. At least two members of the Property Survey Board will approve all Property Survey Reports. (SAM Section 3520.2)

3.6 Accounting Department

Journal entries for fixed asset additions, deletions, and adjustments are made monthly into the General Ledger.

The General Ledger records for each asset category shall match the subsidiary records in the asset database for each asset category. The General Ledger entries are made at a summary level; the subsidiary asset database records are at asset detail level and shall be reconciled to the GL summary on a monthly basis. The monthly reconciliation shall be signed and dated by the preparer and a higher-level reviewer.

3.7 All Employees

Each member of the campus community has a general obligation to safeguard and make appropriate use of University property and equipment. This obligation includes but is not limited to:

- Exercising reasonable care in equipment use to prevent damage and maintain in good condition.
- Taking reasonable security precautions to avoid loss, theft, or misuse of property.
- Immediately reporting lost, stolen, damaged, or otherwise impaired property/equipment to the appropriate Property Custodian. If University property is stolen from an employee off campus, immediately file a police report with the local law enforcement of the area where the property was stolen.

3.8 Segregation of Duties

To maintain good internal controls, duties shall be segregated so that the following functions are not all assigned to the same individual in a department:

- Initiating or approving purchase of equipment (department head, manager, etc.)
- Maintaining equipment records (department Property Custodian, Property Coordinator)
- Taking physical inventory (Property Custodian and or Property Coordinator)
- Validating physical inventory (Property Program Coordinator)

The Director of Procurement Services shall oversee the inventory process.

Should staff size limit the options for segregation of duties, mitigating measures shall be taken to maintain adequate internal controls

3.9 Property Manager/Custodian Changes

Whenever there is a change in the Property Manager or Property Custodian, the Property Coordinator must be notified.

4.0 ACQUISITION OF EQUIPMENT

4.1 Purchase

Equipment may be acquired by purchase (including lease purchase and installment purchase), gift, or transfer

4.2 Donations/Gifts In-Kind

Any donation transferred to University ownership meeting the definition of equipment will be added to the University's property records. Departments must coordinate with the University's Development Office to ensure the Gift In-Kind Acceptance form is completed and all other requirements are met. Donations shall be in accordance with University policy: "Gifts to the University: Solicitation, Acceptance, Valuation, and Acknowledgment".

4.3 Transfers of Equipment from other California State Universities

The State of California Property Transfer Report STD158 must be completed for transfers of equipment from one CSU to another. All requests must be made through the property department prior to transfer.

4.4 Fabrication

Items constructed by campus employees may also be recorded as equipment. Acquisition cost shall be estimated based on the cost of materials used and the salary and benefit cost involved in the fabrication.

4.5 Delivery

4.5.1 Central Receiving

All equipment delivered to the Central Receiving Department shall be tagged and recorded before delivery to accepting department.

4.5.2 Direct to Department/Pick-Up by Department

When equipment is delivered directly to a department, the respective Property Custodian shall contact the Property Coordinator within one business day to have the equipment tagged and placed on inventory records. The respective Property Custodian shall make available the invoice documents to the Property Coordinator.

4.6 Identification of University Equipment

All equipment shall be marked or tagged with a University property tag. The property tag shall be affixed so it is in plain sight and easy to read, e.g. on the top left corner or other conspicuous position. Additional identification required by a department shall be applied in a manner that avoids confusion with the campus identification number. Should the property tag be accidentally or mistakenly obliterated, defaced or removed, the equipment should be retagged.

4.7 Identification of University Equipment for Off-Site Locations

University equipment purchased for off-site locations shall be marked or tagged with a unique identification number and recorded in the property inventory listing. When equipment is purchased for an off-site location, it is the responsibility of the respective Property Custodian to notify the Property Coordinator within one business day that equipment has been purchased for an off-site location. The Property Custodian shall provide the Property Coordinator with a copy of the original purchase document and any additional information such as serial and model numbers for the equipment.

4.8 Equipment Returned to Vendors

When tagged equipment is exchanged for a like-kind replacement, the property tag should be removed. Contact the Property Coordinator if this should occur.

When tagged equipment is returned to the vendor with no exchange, the department should contact the Property Coordinator.

4.9 Equipment Purchased with Federal, State, Local, or Private Grants

Equipment purchased by the University with federal, state, local, or private grants shall be identified with a property identification sticker. Upon completion or termination of the grant that funded the equipment purchase, the property shall be handled in accordance with the specific requirements of the grant or contract.

5.0 INVENTORY

5.1 Property Database

The Property Coordinator shall maintain a property database for all tagged equipment.

5.1.1 Acquisition Data

Information entered into the property database shall include date of purchase, cost, purchase order/reference number, department, and funding source.

5.1.2 Item Description

Description of equipment entered into the property database shall include make, model number, serial number, and University identification number as well as asset type, category, and class as needed for capital asset reporting and depreciation.

5.1.3 Location of Equipment

The location of each item of equipment shall be noted in the respective Property Custodian records and Property Program Coordinator records. Current records as to movement of equipment are to be maintained in such a manner that any item of equipment can be located for inspection or inventory purposes. Location changes shall be kept updated by the respective Property Custodian.

5.1.4 Depreciation

Depreciation information includes useful life, depreciation method and convention, and cumulative depreciation.

5.2 Inventory of Equipment

5.2.1 Physical Inventories of University Assets

The Property Coordinator shall make a physical count of all property and reconcile the once a year.

5.2.2 Results of Inventories

The Property Coordinator will conduct inventory annually.

Equipment not located after appropriate follow-up action will be considered lost or stolen and will be reported to the University Property Survey Board.

Each division vice president has the primary responsibility for the safeguarding of all property assigned to the respective division, and the responsibility to oversee and adhere to these policies and procedures.

5.3 Personally Owned Equipment

If a University employee keeps personally owned equipment on campus, it shall be reported to his/her department and identified as the property of the owner. The University is not responsible for loss or damage to any equipment personally owned by an employee.

6.0 LOSS PREVENTION

Some University property may pose a higher risk of loss due to its portability and marketability. For equipment susceptible to theft, the Property Custodian shall consider utilizing one or more of the following theft protection measures:

- Ensuring University equipment property tags are on equipment.
- Ensuring Asset checkout form is completed.
- A security room or closet may be used to store any items considered vulnerable to theft. Access to that room should be carefully monitored and controlled.
- For internal control purposes, inventories need not be exclusively controlled by the Property Custodian. Departments may assign a responsible person to perform interim inventories to ensure adequate property control.

7.0 INTERNAL TRANSFERS, RELOCATION AND LOAN OF EQUIPMENT

It is the responsibility of the Property Custodian to notify the Property Coordinator of all relocations of equipment and complete the Property Transfer Report STD158.

7.1 Relocation Within A Department

When the change is only the physical location of equipment within a department, the Property Coordinator shall provide the Property Custodian with the completed Property Transfer Report.

7.2 Relocation of Entire Department

The Property Custodian shall conduct the Property Coordinator when an entire department is relocated and must complete the Property Transfer Report.

7.3 Inter-Departmental Transfers

When equipment is transferred between departments, the Property Custodian from the transferor department shall complete the Property Transfer Report and provide it to the Property Coordinator.

7.4 Computer Location Transfer

Computer equipment is inventoried by IT. A Property Transfer Report will need to be completed and provided to IT.

7.5 Loans of Equipment

7.5.1 Loans of University Equipment from One Department to Another

University property may be used in pursuit of University business in areas other than the department to which the asset is assigned to on either the capitalized or memorandum inventory list. Therefore, to ensure accountability of the property at all times, it is important that the asset be checked out when being used outside of the department. The borrowing department will need to complete the Property Transfer Report. It will need to be sent to the Property Coordinator. A copy will need to be sent to the lending department.

7.5.2 Loans of University Equipment to External Organizations, Employees, or Other Individuals

Any loan of University equipment to an external organization or to an individual, including employees (e.g. for use off-campus), shall have prior approval of the appropriate department Property Manager and Property Custodian. All loaned equipment shall be listed on the asset checkout form and be kept by the Property Custodian and Property Coordinator. When the equipment is returned, the lending department Property Custodian shall check the property in and supply a receipt to the borrower. University equipment is loaned to an employee exclusively for university business and only after the asset checkout form is completed. The Property Coordinator must be notified of the return.

7.5.3 Inter-Campus Loans of Equipment

Inter-campus loans are loans between California State campuses. Inter-campus loans of equipment require prior approval of the appropriate Property Custodian and appropriate Property Manager. Inter-campus loans shall be documented on the asset checkout form. The Property Coordinator must receive a copy.

8.0 DISPOSAL OF EQUIPMENT

8.1 General

Before disposition of usable surplus property to an entity outside the University, the Property Coordinator shall ensure that all applicable university departments are informed of and have adequate time to take advantage of property determined by other departments to be surplus. If the surplus property is not wanted by a campus department, the surplus property may be: Donated to other CSU campuses, educational institutions, public agencies or non-profit organizations.

8.2 Lost, Missing, Stolen or Destroyed Property and Equipment

When a person discovers that University property or equipment has been lost or stolen, that person shall immediately notify the Property Coordinator. The Missing Asset Report shall be completed and sent to the Property Coordinator. The "Equipment Loss Report" form will serve as a survey request from the department, and the Property Program Coordinator will generate a survey report.

Employees may be charged for any loss of or damage to University property that is attributable to negligence or unauthorized use (SAM 8643)

8.3 Trade-in of Equipment

Property Custodians shall notify the Property Coordinator whenever equipment is being traded-in for new equipment. The Property Custodian shall supply a complete description of the trade-in equipment including property number and monetary value to be received property. After the equipment has been traded in, the Property Custodian shall provide the Property Coordinator with a receipt signed by the company receiving the equipment, itemized by property tag number.

8.4 Transfers to State Agencies or Other CSU Campuses

The Property Transfer Report must be completed when there is a transfer of property to another State Agency or CSU. The acquisition value and accumulated depreciation shall be provided to receiving agency for their records. The equipment shall be removed from the supplier's property records.

8.5 Sale of Equipment

The term “sold equipment” applies to University-owned equipment sold to external entities or individuals. It does not apply to equipment transferred to another department or campus. The University sales its surplus equipment through a government surplus auction agency.

8.6 Donation of University Equipment

The Property Program Coordinator may facilitate the donation of University equipment to any educational institutions, public agencies, or non-profit organization qualified to receive a donation. All equipment to be donated must be approved for disposal by the survey board before being donated. The recipient organization shall submit a letter on its letterhead to the University listing the surveyed items, by property number, that they have accepted

All donations of University equipment must be processed through the Property Coordinator.