



Office of Property Management

INFORMATION HANDBOOK FOR STATE PROPERTY ACCOUNTING RESPONSIBILITY

**PRESENTED BY THE
OFFICE OF PROPERTY MANAGEMENT
IN ACCORDANCE WITH**



TEXAS SOUTHERN UNIVERSITY
Information Handbook for State Property Accounting Responsibility
FY2018

Overview

The purpose of this handbook is to inform you, the user and/or custodian of state property within Texas Southern University, of current State laws, rules, regulations, and procedures which must be followed in using and disposing of state property. These policies and procedures apply to all state property, regardless of the acquisition or funding source. These policies and procedures do not supersede or release departments from any policies or procedures put forth in grants or contracts.

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1. Accountability & Responsibility for State Property

State agencies, like TSU, are responsible for the accurate and timely reporting of all personal property in their possession. Agencies are also responsible for assuring the accuracy of all statements of financial condition relating to personal property. The term “Personal Property” relates to self-contained and easily moveable items.

The authority of the delegation of responsibility as it pertains to state property is contained in Texas Government Code Sec. 403.273 and reads, in part:

- A. The head of each state agency is responsible for the custody and care of state property in the agency’s possession.
- B. The head of each state agency shall designate a property manager and inform the comptroller of the designation. Subject to comptroller approval, the agency head may appoint more than one property manager.
- C. The property management department shall maintain the records required and be responsible for distributing to all divisions, colleges and departments, the rules and regulations relating to state property management for their areas of responsibility.
- D. State property may be used only for state purposes.
- E. When an agency’s property is entrusted to a person other than the property manager, the property manager shall require a written receipt from the person receiving custody of the property.

Chairs and administrative heads of departments within Texas Southern University are designated property officers, and as such, are responsible for all university property in their care, including the completion of the annual physical inventory. It is the responsibility of the head of each department to see that accurate records are maintained concerning changes in department inventories and that the Property Management Office is advised in a timely manner of these changes. The responsibility of the chairs and administrative heads may not be delegated; however, each administrator can elect to appoint a departmental property custodian each fiscal year to act as the first point of contact with the property department and to perform the duties specified in the Property Management guidelines. Chairs and administrative heads have responsibility for three types of property:

(1) Capitalized assets, (2) Controlled assets, and (3) Trust property

- 1) **Capitalized assets**: Possessions that meet the above personal property criteria and that have a single unit value of \$5,000 or greater and an estimated useful life of greater than one year.
- 2) **Controlled assets**: Assets of the state that the State Comptroller’s office determines must be secured and tracked due to the nature of the items, (i.e., computer equipment, firearms, audio/visual equipment, etc.). These assets are not capitalized assets, real property, or improvements to real property or infrastructure.
- 3) **Trust property**: Assets held by an agency on behalf of a non-state entity (such as art collections owned by families, estates, and others); which are under the temporary control of the agency.

The Property Management Department is responsible for establishing and maintaining a central location for all required property records. Upon request, all equipment inventory data and requests for inventory reports will be distributed by the Property Management Department to departments and/or individuals requesting such data. Such requests may be made through e-mail to propertymanagement@tsu.edu.

Where there is a change in agency head, department property custodian, or department head, the outgoing property custodian should request that the Property Management Department prepare a Property Transfer Receipt and a report of the inventory items for which he/she is accountable. It shall be the sole responsibility of the incoming property custodian to verify him/herself that all items of property listed on the report are present and in good condition before signing the Property Transfer Receipt. Signing the property transfer request means the property custodian accepts responsibility for the property.

2. Liability for Property Loss

Each agency should ensure that an employee entrusted with property exercises, at a minimum, reasonable care for its safekeeping. The term "reasonable care" means that steps have been taken to maintain the upkeep of any asset in an acceptable manner, to ensure the security of the asset, to ensure that any asset can be located at any time requested, and to ensure that the person responsible for the asset is known.

If a head of an agency has reasonable cause to believe that an agency's personal property is missing, destroyed, or damaged through the negligence or fault of an official or employee of the state, the agency head must report the occurrence to the State Auditor's Office and the Office of the Attorney General. The Attorney General will investigate and, where appropriate, take legal action to recover the value of the state property. The Attorney General shall determine the value to be recovered based on the value of the asset and the degree of responsibility. The authority under which liability for property loss is outlined is found in Texas Government Code Sec. 403.275 and reads:

The liability prescribed by this section may attach on a joint and several bases to more than one person in a particular instance. A person is pecuniary liable for the loss sustained by the state if:

1. Agency property disappears, as a result of the failure of the head of an agency, property manager, or agency employee entrusted with the property to exercise reasonable care for its safekeeping;
2. Agency property deteriorates as a result of the failure of the head of an agency, property manager, or agency employee entrusted with the property to exercise reasonable care to maintain and service the property;
or
3. Agency property is damaged or destroyed as a result of an intentional wrongful act or of a negligent act of any state official or employee.

Texas Government Code Sec. 403.276 reads, in part:

- A. "If a head of an agency has reasonable cause to believe that any state property in the agency's possession has been lost, destroyed, or damaged through the negligence or

- fault of any state official or employee, the agency head responsible shall immediately report the loss, destruction, or damage to the state auditor and to the attorney general.
- B. The attorney general shall investigate a report of loss, destruction, or damage to state property..."

3. Lost or Stolen Property

When a departmental property custodian realizes that an item of equipment is not in its accustomed place, he or she shall conduct a diligent search until the item is either found or it is established that the item has been lost or stolen.

When the chairperson determines that an item of equipment is stolen from the premises of any unit of Texas Southern University, he or she or a comparable administrative official is responsible for immediately reporting such condition by telephone to the Texas Southern University Police Department (TSUPD). TSUPD will conduct an examination of the incident and instruct the reporting department to execute a **Missing, Damaged or Stolen Property Report** form which may be obtained from Property Management or at: <http://www.tsu.edu/about/administration/finance/procurement-services/warehouse-forms.php>. The department shall also send a completed missing/stolen form to the Property Management Office and retain a copy for the departmental records. TSUPD shall complete an **Offense/Incident Report** and forward a copy to Property Management.

In instances where it is believed that the equipment has been lost or is missing, (not thought to be actually stolen), the chairperson or comparable administrative official shall complete and forward a **Missing, Damaged or Stolen Property Report** to the Property Management Office, making sure to keep a copy for the departmental records. Property Management does not require departments to contact TSUPD when equipment is discovered lost or missing during the annual inventory process.

In both instances, the departmental chair or administrative head may be requested to document to the Director, Materials Management, the circumstances surrounding each loss or theft and describe the controls that were in place to safeguard the equipment at the time of the loss or theft. A determination will be made as to whether reasonable diligence to prevent loss or theft had been established, or whether negligence existed; in which case, the party entrusted with safeguarding the property may be held personally liable for the loss.

Assets that are reported as missing will remain on that department's inventory until the item is either located or missing for an additional two-year period, at which time, the asset and the circumstances will be re-evaluated by Property Management and the item may be deleted from the inventory records.

4. Annual Physical Inventory Process

The State Comptroller's Office mandates that each agency shall make a complete physical inventory of all inventorial assets in its possession each fiscal year. The Property Management Department will coordinate in the annual physical inventory, with the objectives of physically verifying the existence of all inventorial assets and updating the property system with information obtained in the inventory process to ensure the accuracy of the system's records. On or about October 1st of each year, the Property Management Office

will begin sending each college and department a preliminary worksheet detailing the state inventorial property currently assigned to their area via email. The email correspondence will also include instructions for completing the inventory as well as links to property management forms and other information.

Each department is required to conduct a room-to-room, staff member to staff member verification for each piece of inventorial equipment listed on the preliminary worksheets and in the department's possession. All inventorial items not on the worksheets but are located in the department during the inventory must be added to the worksheets, (Comptroller Guidelines: all items are *Inventoried In Place*). No line items are to be deleted from the worksheets, the current location and end-user of each item is to be updated as necessary.

Once the department's inventory worksheet has been verified and updated as necessary, it is to be returned to Property Management within a designated timeframe. Reconciliation will be initiated by Property Management working with each department to compare the information returned to the existing data in the Property Management System. Reports of located and un-located assets will be delivered to the departmental representative with instructions to find the un-located assets or report them as missing. The assets should either be located or reported as missing within four weeks of receipt of this report. At the completion of the inventory, a final departmental report will be provided to the department head for his/her signature. The department head must sign and date a statement on the final inventory report acknowledging his/her responsibility for the equipment listed on the report.

At the conclusion of the inventory process, the Director of Materials Management and the Property Management team will perform an evaluation to assess the overall campus wide inventory results as well as the reasonableness of each department's control over its assets. "Reasonable" controls will be determined using several factors, including but not limited to: 1) the dollar amount of lost/stolen equipment; 2) the percentage of the department's total inventory that is reflected as lost/stolen; 3) the nature of the item(s) unaccounted for; and 4) the risk of impropriety to which the assets were subjected. If the department's controls are determined to be ineffective, the department head or property custodian may be required to meet with the Property team as well as representatives from the Offices of Compliance, OIT and Internal Audit to determine methods to improve controls and better safeguard university assets.

If the department head or chair shows, to the satisfaction of the committee, that the department had reasonable equipment inventory controls in place when the loss occurred and that gross negligence was not a factor in the loss, the department head or chair will not be held liable for the assets.

If a department continues to show material control weaknesses without marked improvement, the University may invoke disciplinary action against the department head or chair.

5. Adjustments to Departments Records

Occasionally, the need will arise to alter the description, responsible person, location, or provide model, manufacturer, or serial number to an item on the inventory records. To accomplish this, the department must correct the items(s) on the departmental inventory report or excel file and submit the changes to the Property Management Department. Such changes may also take place during the annual departmental physical inventory process. Departments are responsible to retain copies of all property transactions in the department.

6. Property Guidelines for Separating Employees

Upon notification that an employee is either transferring to another department or terminating his/her employment with Texas Southern University, the department head or department representative should review the property for which the employee is responsible and take steps to ensure the property is accounted for. If appropriate, the department head or representative should request that Property Management coordinate a physical inventory of specific areas under the control of the separating employee and generate updated inventory reports for the department to use in its review. The department head or representative should schedule a meeting with the employee to discuss the status of property the terminating employee is responsible for and to review disposition options, if applicable. In separations which involve the possible removal/transfer of inventoried property, the department head or representative should review section 18 to ensure compliance with Texas Southern University policy, and:

- Contact Grants and Contracts Management to obtain information on sponsored project activities of the employee.
- Contact Property Management (propertymanagement@tsu.edu) to review property transfer policies and to request inventory reports (i.e., listing of property located in a particular room or lab) to be used for internal planning and control. Obtain appropriate approvals/sign-offs before property is removed from the University.
- Additionally, go to; <http://www.tsu.edu/about/administration/forms/warehouse.php> and complete an Employee Separation form and submit it to propertymanagement@tsu.edu.

7. Receiving / Tagging New Property

The Property Management Department audits all incoming shipments to the Central Warehouse. If the shipment contains inventoried equipment, the Property Management Department will assure that an inventory tag is affixed to the property during the receiving process and the inventory records are updated in the Property Management System accordingly. Property Management may, at its discretion, elect to not tag some sensitive or unassembled items at the warehouse. The tags for these items will be included with the shipment documents and delivered to the departments for them to tag the items once they are assembled and installed. The departments are then required to notify Property Management that the items have been tagged and are ready for a physical verification.

University Purchasing guidelines require all shipments containing property or inventoried items be routed to and from the TSU Central Procurement Warehouse, 3715 Blodgett, Houston, TX 77004. The Banner Purchase Order system defaults to this address. In the rare cases that property must be direct-shipped to a department, the department receiving the items is to notify the Property Management Office immediately upon receipt. Property Management will follow-up with the department to perform the proper tagging and documentation duties. Will-call (pickup) orders must also be reported immediately to Property Management to ensure that documentation and any applicable tagging duties are completed.

8. Gifts of Property

The Office of Development should be consulted before receiving any gifts of equipment. Property Management will not tag equipment without the approval of the Office of Development. The Donor should deliver the item with a letter stating that it is a donation to Texas Southern University. The donor should state the value of the gift in the letter or through accompanying documentation (e.g. an independent qualified appraisal, a sales receipt, a Texas Southern University gift-in-kind donation form, IRS form 8283, or a catalog sales list for the same model instrument). The value should not reflect the donor's personal estimation of the gift's value. The Office of Development will determine if the documentation supporting the value of the gift is sufficient or if the receiving department need to arrange a third-party appraisal.

If a Texas Southern University representative receives a gift from a donor without accompanying documentation, he or she should both notify the Office of Development and initiate correspondence to the donor, outlining the assumed intent and restrictions of the gift. In cases where no documentation or response is received from the donor, the letter of assumed intent will be used to define restrictions.

Any Texas Southern University employee in receipt of a gift of all equipment shall forward copies of the original documentation within 24 hours of receipt to the Office of Development and to the Property Management Office. Upon receipt of the supporting documentation, Property Management will tag gifts of equipment meeting the capitalization or controlled property policy and record the information on the Institution's records.

9. Trade-In of Property to Vendor

When a department trades in used equipment in the acquisition of new equipment, it must provide a description of the item to be traded in, including the inventory number and the trade-in allowance received from the vendor, in the commodity-line text portion of the Purchase Requisition (PR) for each purchase of new equipment. The same information shall appear in the commodity-line text of the Purchase Order (PO). Before a department removes a traded in item of equipment from the premises, they must promptly send the inventory tag and a copy of the RQ and/or PO document to Property Management. The procedure for shipping traded in equipment to the vendor is discussed below in **Section 10**.

10. Returned Property to Vendor

In instances where departments desire to return merchandise to a vendor, the department is responsible for making the proper shipping and handling arrangements with the vendor. If the merchandise being returned is capital or controlled equipment, the bar code identification plate will be removed by the Property Management department prior to returning the goods. Once the items have been picked up from the Central Warehouse, Property Management will adjust the property database for removal from the departmental inventory records.

The owning departments are responsible for the preparing of each item for shipment and having each item delivered to the Central Warehouse. The Central Warehouse will coordinate the returning to the vendor according to the shipping arrangements made by the department with the vendor.

In the cases of returned equipment being replaced with new equipment, Property Management will place a new barcode tag on the replacement item, enter the new number in the Property Management System, and correct all information necessary on the new inventory record that is unique for the replacement asset (i.e., serial number, model number, etc.). Adjustments to the inventory records for returns awaiting vendor credits or refunds will be made once Accounts Receivable/Payable processes the credit or refund.

11. Sale of Property Responsibility

Any item of equipment having a useful value to a department of Texas Southern University shall not be sold. Items, which become excess to a particular department shall be transferred to the Surplus Property Area managed by the Property Management Department. Periodically, Property Management will review the items in the Surplus Property Area to evaluate their possible reuse on campus or for proper disposal if they are deemed no longer useful to campus departments.

12. Discarded Property Responsibility

Extraordinary care must be given to the manner in which equipment no longer needed is discarded. The university adheres to a “Green” recycling policy for most equipment. Generally, equipment that is obsolete, broken beyond reasonable repair, or otherwise useless, shall be transferred to the surplus property area in the same manner as described below for proper disposal.

Equipment that is considered to be hazardous or a potential liability to the university cannot be sold in a surplus property auction (i.e., chemically contaminated or asbestos related equipment). The chairperson of the department shall obtain permission from the Property Manager to dispose of the hazardous equipment. The Director of Environmental Health and Safety must approve the method of disposal.

Broken, worn out, or otherwise useless equipment shall be transferred in the best condition possible, and under **no** circumstances shall parts be removed nor shall any piece of equipment be cannibalized. However, if the best interest of the university can be served by the removal or cannibalization of parts from an item of equipment before a transfer is made, the departmental chairperson shall request permission to do so from the property manager. The departmental chair must provide a statement to the property manager that explains why the equipment is to be dismantled and how the parts will be used to construct or repair other existing equipment. The removal or cannibalization operation **shall not** be undertaken until the approval of the property manager has been obtained. Property Management will notify the department when approval has been received.

Before any equipment obtained with Grant or Contract funds is transferred, cannibalized, sold or salvaged, the department head must determine that the university has the proper authority to do so. This can be accomplished by reviewing the terms and conditions of the Grant/Contract with the Grants and Contracts Management Office. The Office of Property Management has no responsibility in this area other than the safe approved disposal of the asset.

13. Temporary Removal of State Property from Texas Southern University Premises

State property in the possession of Texas Southern University may be removed from the premises only for official business of the University. When it is so removed, the individual removing said equipment assumes pecuniary responsibility.

If such state property is to be removed, the department requesting removal must prepare a REMOVAL OF EQUIPMENT FROM UNIVERSITY CAMPUS AUTHORIZATION REQUEST form. Such forms are available on line at; <http://www.tsu.edu/about/administration/forms/warehouse.php> or may be obtained from Property Management.

On this form, the person requesting the removal of equipment must do the following:

1. Certify that the property being removed will be used for the purpose of conducting official University business.
2. Provide the name and title of the person responsible for the equipment while it is removed from the premises.
3. Provide the date upon which the equipment will be removed from the university premises.
4. Provide the date by which the removed equipment will be returned to the premises.
5. Date and sign the request.
6. List the following information for each article:
 - a. Inventory tag number
 - b. Description w/serial and model numbers
 - c. Manufacturer

The departmental chairperson must sign the form and forward a copy to Property Management. The individual removing the equipment must have a signed copy of the form with him/her at the time the equipment is removed.

At the time of the return of property, the department head must sign the form certifying that the state property was returned and that it was undamaged. The signed form must be forwarded to Property Management.

If the university's property must be taken off the premises frequently, the department should submit a blanket request with a return date within the current fiscal year. **However, an extended request that goes beyond the end of any fiscal year must be renewed on an annual basis.**

14. Transfer of Property to other departments without charge

A Transfer Request form must be used to affect a transfer of equipment to other departments. The required forms are available on line at; <http://www.tsu.edu/about/administration/forms/warehouse.php> or from the Property Management Department.

The department possessing the equipment must prepare these forms. In preparing the form, the department must list each item of equipment by recording the inventory tag number, description, serial

number, building, room number and its condition (good, fair, poor). A representative of the department transferring the equipment as well as a representative of the department receiving the equipment must sign the form. Copies of the form, after having been signed by both departments, shall be distributed by the department receiving the equipment to Property Management, which modifies the departmental inventory records on receipt of signed forms. The equipment location will not be modified on the departmental inventory records until copies of the transfer form(s) have been signed and distributed to the Property Management Department.

In cases where the movement of equipment requires the services of an outside moving company, a department must contract for such service on a case-by-case basis. The moving/storage companies Texas Southern University has contracted with can be received from the Customer Service Department at ext. 7089.

15. Transfer of Property to other departments with charge

Any departmental chairperson may transfer equipment (that is surplus to his or her department) to another department with charge. The department offering the goods for sale should prepare and send an institutional-wide announcement (E-MAIL) that lists the items available for transfer. The list must provide the following information for each item:

1. Inventory tag number
2. Description of item
3. Condition (good, fair, poor)
4. Acquisition date
5. Acquisition cost
6. Price expected

If a department (offeree) extends an offer to purchase an available item, the department possessing the equipment (offeror) must prepare a Transfer Request form, as described in Section N. above, and forward it to the offeree for their signature. The offeree must prepare a memorandum of the sale including the price agreed upon with the offeror and the account (fund-orgn-acct-program) from which the item(s) will be purchased. The offeree should forward the completed Transfer form to Property Management and send the memorandum of sale to the General Accounting Office for appropriate fund transfers. Property Management will update the proper inventory records according to the information on the transfer form.

16. Transfer of Property to Surplus Warehouse

Property no longer having useful value to a department that is not transferred to another department or traded-in, shall be transferred to the university Warehouse. The cost of transferring surplus property to the surplus warehouse will be assumed by the Property Management Department. All property transferred to the Central Warehouse is considered surplus and ready for final disposal. At the present time, there is no available storage space to store items for departments. All requests for storage (including new items) must be submitted by email to the property manager and authorized by the property manager prior to the items being transferred.

The department initiates the removal of surplus property from its area by completing a Transfer form, (<http://www.tsu.edu/about/administration/forms/warehouse.php>). This transfer form will list all the items being transferred to surplus. Untagged items of numerous quantities may be placed on one line such as, "(17) student desks".

Once an authorized departmental representative has signed the transfer form, the department will email the form to Property Management. Property Management will arrange for the date and time of pick-up of the surplus property with the Tiger Labor team or moving company and notify the departmental representative of when the move will take place.

Tiger Labor and the moving companies have been instructed of their responsibilities in regards to moving surplus property to the warehouse and will pick up only those items that are listed on the Transfer form. If additional items are to be added to the list, Property Management must approve the modification prior to the pick-up date. Property Management will not accept any item of equipment into the surplus property area nor accept the responsibility for such equipment without being accompanied with a fully executed Transfer form.

Any equipment located in a lab or clinical environment must have its safety status verified prior to transfer to the Surplus Property Area. The sending department must contact the Chemical and Laboratory Safety Department prior to moving such equipment and a "Lab Equipment Transfer Form", (<http://www.tsu.edu/about/administration/forms/warehouse.php>), is to be completed prior to the transfer. The current contact for this area is Darnell Johnson III, ext.1336, johnsond@tsu.edu.

All departments sending equipment to the surplus warehouse accept full responsibility regarding grant/contract status and all safety concerns.

All computers must have the Hard Drives Sanitized of all sensitive information before being transferred to the Surplus Warehouse or to any other department. The Office of Information Technology will assist in this area, the Office of Property Management is not responsible for the release of sensitive data.

17. Transfer of Property from Surplus Warehouse

Equipment held in the "Surplus Property Area" located at the university warehouse is available without cost for transfer to those departments in need of such equipment. The warehouse hours are Monday thru Friday 9:00 a.m. to 4:00 p.m. for viewing and picking up surplus. In the event surplus property is transferred from the surplus area to another department, the department making the request shall initiate a Transfer Request form. The department requesting the transfer funds the cost of transporting equipment from the Surplus Property Area.

18. Transfer of Property - External

Texas Southern University is committed to the responsible use of and the orderly transfer of equipment to Texas Southern and from Texas Southern University to external entities. Texas Southern University

adheres to state and federal regulations regarding the transfer of supplies and equipment. In this section, "equipment" refers to capital equipment costing \$5000.00 or greater. For information on transferring non-capital assets, refer to the next section, U. TRANSFER OF NON-CAPITAL EQUIPMENT.

Texas Southern University considers transfers of equipment only to other universities and institutions. The eligibility for transfer of equipment may be determined as follows:

- Equipment purchased using state funds, designated funds, or gift and endowment funds is ineligible for transfer except to another State of Texas institution, and then only if it is considered surplus to Texas Southern University.
- Equipment transferred to Texas Southern University with a faculty member may be transferred with the same faculty member to another university. In such cases, there will be no charge to the receiving university for the equipment.
- Equipment purchased with active sponsored project funds is eligible for transfer only if the project is being transferred with the PI to another institution. In such cases, there will be no charge to the receiving institution for the equipment.
- Equipment purchased with sponsored project funds that originated at and have since expired is eligible for transfer with the PI to another university. This transfer may be affected only if the department chair and the dean approve the transfer and the receiving institution agrees to purchase the equipment from Texas Southern University at a depreciated cost determined by Property Management.

Any lab or clinic equipment with posted hazard warning signs (e.g., biological, chemical, radiological, UV, etc.) must have its safety status verified prior to relocation. The PI must contact the Environmental Health and Safety Department *prior* to moving such equipment.

Transfer of Property to or from another State of Texas Institution

When Texas Southern University departmental personnel become aware of the need for and the willingness to receive certain equipment by a department or employee of another State of Texas-supported agency or institution, the head of the Texas Southern University department possessing the equipment must submit a written request that has been signed by the department chair and dean to the property manager requesting approval to transfer the equipment. The written request should list the Texas Southern University tag number, property description, and the reason for transfer.

If the property manager approves the transfer, the Property Management Department must remove the property identification tags before the equipment is removed from Texas Southern University premises and will prepare the necessary forms and documents to affect the transfer in the State Property Inventory.

When a Texas Southern University department receives equipment from another State Institution, the department receiving the equipment must notify the property manager to ensure that the transfer documents were processed by the transferring State agency and received in the Property Management office. Once the information is received, Property Management will tag those assets meeting the capitalization criteria and enter the property into the Property Management System.

Transfer of Property Purchased with Active Sponsored Project Funds to Another Institution

Procedures for transferring equipment purchased with active sponsored project funds differ depending on the type of contract or grant. The PI must contact the Grants and Contracts Management department to determine the appropriate procedure and obtain an **External/Equipment Transfer form**.

Before completing the **External/Equipment Transfer Form**, the PI should contact Property Management to obtain a list of equipment that is eligible for transfer. The PI must submit the completed **External/Equipment Transfer Form** to the Property Management Department for verification. The form should be completed with the exception of approvals and should list the equipment to be transferred. The list should include the following:

- Inventory tag number
- Description
- Acquisition cost
- Account number

Property Management will forward the request to the department head, which will indicate his or her approval and secure the approval of the dean, Grants and Contract Management, and the property manager. Final approval rests with the property manager. The property manager will forward the original **External/Equipment Transfer Form** distribution of copies to the department, the PI, and Grants and Contract Management.

The equipment shall not be removed from the university premises until all approvals have been obtained.

External Transfer of Non-Capital Property

In addition to its commitment to accurately maintain its capital equipment inventory, Texas Southern University is committed to the responsible use and transfer of non-capital assets, which are defined as those items that cost \$4,999.99 or less per unit when purchased. In this section, all references to equipment indicate non-capital equipment.

The eligibility for transfer of non-capital equipment may be determined as follows:

- Equipment purchased with state funds, designated funds, or gift/endowment funds is ineligible for transfer except to another State of Texas institution, and then only if it is considered surplus to Texas Southern University. Exceptions to this will be considered if an item is of such a technical or specialized nature that it cannot be used elsewhere within the department. Exceptions are handled on a case-by-case basis and must be approved by the department chair and the head of the operating unit.
- Non-capital assets purchased with sponsored project funds (active or inactive) are eligible for transfer with the principal investigator of the sponsored project if approved by the department head and the head of the operating unit.
- Any lab or clinical equipment with posted hazard warning signs (e.g., biological, chemical, radiological, UV, etc.) must have its safety verified prior to relocation. The PI must contact the Environmental Health and Safety Department prior to moving such equipment.

Transfer of Non-capital Assets of a Technical/Specialized Nature Purchased with Non-Sponsored Project Funds

The departing faculty member must submit a written request to the department chair asking that an exception to institutional policy be made. The request must identify the specific item(s) proposed for transfer and explain why an exception should be made.

Transfer of Non-capital Assets Purchased with Sponsored Project Funds

The departing faculty member must prepare a written request and summary list of non-capital assets proposed for transfer that were purchased from active or inactive sponsored projects on which he or she was the principal investigator, and submit it to the department chair. The request must include a statement that the items were purchased with the principal investigator's sponsored project funds.

In both instances described above (I. and II.), the request must be approved by the department chair and the head of the operating unit, and must be maintained as part of the permanent departmental records for audit purposes. The faculty member will be notified of approval/non-approval by the chair. After the transfer is approved, the faculty member may remove the item(s) from Texas Southern University.

19. Disposal of Property

The Office of Property Management is the only authorized department to dispose of state property. Disposal is accomplished through Certified E-waste recycling or Public Auction.

Certified E-waste recycling. Due to the threat of sensitive data being inadvertently distributed to the general public through the auction process, all computers and most other electronic equipment such as copiers, printers, scanners etc. that may possess on-board memory storage are now processed and picked up by a certified E-Waste recycler. This recycler issues the university a Certificate of R2 Recycling of all materials received. Additionally, all small obsolete electric office machines as well as used ink toners and cartridges are also sent for recycling.

Public Auction. The university utilizes a contracted Auction company to dispose of non-data processing equipment, furniture and vehicles. The auctioneer conducts public auctions at his location on a monthly bases that includes items from multiply city, state, and private sources. An announcement with auction details is sent out campus-wide in the weeks before TSU auctions any items. All TSU employees are eligible to bid on all items.

- **Additionally,** when law enforcement vehicles are auctioned the university and the auction company adhere to Section 728.022 of the transportation Code, *a person may not sell or transfer a marked patrol car or other law enforcement motor vehicle to the public unless the person first removes any equipment or insignia that could mislead a reasonable person to believe that the vehicle is a law enforcement motor vehicle, including any police light, siren, amber warning light, spotlight, grill light, antenna, emblem, outline of an emblem, or emergency vehicle equipment. A person may not sell or transfer a marked patrol car or other law enforcement motor vehicle to a security services contractor who is regulated by the Department of Public Safety and licensed under Chapter 1702, Occupations Code, unless each emblem or insignia that identifies the vehicle as a law enforcement motor vehicle is removed before the sale or transfer.*

20. Loaning of Property

In some circumstances, departments may wish to lend equipment to another university department or to an external entity (e.g., if the equipment is being used in a collaborative research project). In such circumstances and under the condition listed below, the university will consider allowing loans of equipment. "Equipment" in this section includes any item regardless of value that is titled to, purchased by, or given to Texas Southern University.

As a general rule, departments may not lend equipment to non-Texas Southern University employees or non-State of Texas institutions. However, under extraordinary circumstances, if the loan can be documented to be in the best interest and benefit of the University, exceptions to the policy will be considered.

When a department lends equipment to another department, the lending department prepares, signs, and distributes a Move Order form to temporarily transfer the equipment to the borrowing department. When the equipment is returned, the borrowing department processes the same Transfer Request form in order for the property records to be updated.

If a department wishes to lend property to another State of Texas agency, the department head must submit a written request to the property manager requesting approval for the loan. The request must explain the reasons for the loan, be signed by both the department head and the head of the operating unit, and be accompanied by a description of the equipment and the Texas Southern University tag number (if it is a capital asset). If approved, the property manager will notify the department head. On written approval from the property manager, the equipment may be removed from Texas Southern University premises. Loans are granted for up to one year from the date the loan is affected, and renewals must be requested annually. It is the department head's responsibility to ensure the equipment is returned by the due date. The equipment on loan must be removed from and returned to Texas Southern University at the expense of the state institution borrowing the equipment. The loan of equipment to other state agencies does not relieve the department head of responsibility for the property.

Equipment loans to Non-Texas Southern University employees and Non-State of Texas institutions is effected by a written request from the department head to the property manager documenting why the loan is in the best interest and benefit of Texas Southern University. The department head and the head of the operating unit must sign the request. If approved, the property manager will notify the department head. On written approval from the property manager, the equipment can be removed from Texas Southern University premises. Loans are granted for up to one year from the date the loan is affected, and renewals must be requested annually. It is the department head's responsibility to ensure the equipment is returned by the due date. The equipment on loan must be removed from and returned to Texas Southern University at the expense of the individual/institution borrowing the equipment. The loan of equipment to another individual/institution does not relieve the department head of responsibility for the property.

21. Disposal / Sale of Software

As technology advances, it will become necessary to purchase the latest release of computer software for use in personal computers and network systems of the University. The two methods by which software may be removed from departmental records is by installing an upgraded version of original software or by transferring surplus software to other departments or the Surplus Property Area.

If software is to be replaced by an upgrade (e.g., upgrading Dbase III to Dbase IV), the department must destroy the original disks of the version being replaced. If the older destroyed software was capitalized on the department's inventory, the department **must** inform Property Management via memorandum of the circumstances surrounding the destroyed software so the departmental inventory records can be updated. Software capitalization threshold for internal software is \$5,000 and external software is \$100,000.

Software that becomes surplus to a department may be transferred with or without charge to another department or transferred to the Surplus Property Area. The original diskettes **AND** manuals or documentation must be transferred together as a single package. The department transferring the software must properly execute a Transfer form to affect the transfer. In the case of a transfer to another university department, the receiving department must indicate, on the transfer form, the bar code identification number of the computer in which the software will be installed. Refer to sections N. through P. for detailed procedures.

Find Property Management forms at: <http://www.tsu.edu/about/administration/finance/procurement-services/warehouse-forms.php>