

## **18.0 PROPERTY/INVENTORY POLICIES AND PROCEDURES**

### **18.1 PURPOSE**

The purpose of these policies and procedures is to provide general guidelines and a convenient reference to assist University personnel in the administration of the fixed assets program. Any portion of this guide that conflicts with existing laws, rules, regulations or directives issued by higher authority shall be considered invalid.

The fixed assets reporting system has two major functions. It provides statewide information applicable to property (fixed assets) owned by each state agency, and it ensures that agencies are reconciling their financial records with the records of the State Department of Property Audit of the Office of the State Auditor and the Department of Administration and Finance.

The President has declared that maintaining control and accountability of the University's fixed assets warrants a high priority. Accordingly, it is incumbent upon all University personnel to familiarize themselves with the contents of this guide. If any questions arise relative to fixed assets, please contact the Property Office at (601) 877-2366 or (601) 877-6499.

### **18.2 TERMINOLOGY AND DEFINITIONS**

Fixed assets are of a long term character, are non-consumable in nature and are intended to be held or used. These include land, buildings, improvements, machinery, furniture and other equipment with costs exceeding \$1,000 (see Equipment section for exceptions). All of the costs required to get the assets in existing condition and location are capitalized (i.e., cost of negotiations, finder's fees, freight and shipment charges, installation, break-in costs, etc.) are included in the official fixed asset listing.

Buildings are permanent structures for housing persons or state property and include fixtures attached and forming a permanent part of the building. All capital improvements added to existing buildings are added value and should be included as part of the building (i.e., porches, awnings, decks, garages, etc.).

### **18.3 EQUIPMENT**

Equipment is usually categorized into various types. The categories used depend, to a large extent, on life expectancy, mobility, categorization of similar assets and the administrative area of use of the asset. Equipment as an asset category is reserved for expenditures meeting the following criteria:

- It is for the acquisition of visible and tangible state property.
- It is non-consumable in nature.
- The anticipated life is at least one year.

- If the cost of acquisition is \$1,000 or more, the equipment shall be on the inventory.
- The following items will be reported as equipment, regardless of their purchase price:
  - Weapons
  - Two-way radio equipment
  - Televisions (greater than or equal \$250)
  - Lawn maintenance equipment
  - Sterling silver
  - Cellular telephones
  - Computers and computer equipment (greater than or equal to \$250)
  - Chain saws
  - Air compressors
  - Welding machines
  - Generators
  - Motorized vehicles dictating equipment
  - Antiques

Please note that the University reserves the right to designate other items to be included on the inventory lists regardless of price.

#### **18.4 GIFTS OR DONATIONS**

Gifts or donations are assets, buildings and/or equipment which may be donated or given to the university with approval of the President. Even though the cost of the item(s) is minimal, the value will be recorded at its fair market value in the official fixed asset listing.

#### **18.5 FURNITURE**

Furniture shall be construed to include desks, chairs, tables, seats, filing cabinets, book cases and all other items of a similar nature as well as dormitory furniture, appliances and all other items of personal property generally referred to as home, office or school furniture.

#### **18.6 PROPERTY**

Property is defined as all furniture, vehicles, equipment and other state property having a useful life expectancy of a least one year and the cost of which is \$1,000 or more. It does not include carpeting (excluding area rugs), draperies, plants, installed floor-to-ceiling partitions, window shades or blinds, mattress/box springs, water heaters, installed drinking fountains, museum acquisitions, library books, films or archival collections. All items under \$500 in value are not required to be placed on inventory excluding specialty items. However, they are required to have a university sticker applied.

**18.7 BAR CODE LABELS**

All reportable property will be marked with an acceptable bar code label which can easily be scanned by both state and internal auditors. Movement or removal of these labels is prohibited. All property will be marked in Code 39 standard format of five characters per inch.

Standard reportable fixed assets and property will have a black on yellow bar code label. All lease/purchase, contract or subcontract reportable property will have a black or silver label. All other state property will have a black on silver label with no bar code.

**18.8 UNIVERSITY PROPERTY GENERAL POLICIES****18.8.1 RECEIPT OF UNIVERSITY PROPERTY**

All equipment and supplies are to be delivered directly to the Department of Receiving and Storage. Other departments are not authorized to directly receive purchases but must direct the delivered property to the Department of Receiving and Storage. The purpose of this policy is to control all receipts of University property, document the receipt on University receiving documents, enter the property into the University inventory records and, if required, tag the property.

**18.8.2 USE OF UNIVERSITY PROPERTY**

All University property must be used solely for the purpose of University business. No University employee is authorized to use University equipment, supplies or other property for personal reasons. Employees may not take University equipment home or off campus without proper authorization.

**18.8.3 ACCOUNTABILITY**

The ultimate accountability for University equipment, supplies, and other property lies with schools, project leasers, departmental chairpersons, division heads or the immediate supervisor of the budgetary unit to which the property is assigned. Accountability includes the inventory, care and safekeeping of the equipment. Equipment assigned to a research project is the responsibility of the person directly over the project and budgeted restricted funds.

**18.8.4 LABELING**

All items that are maintained on the University inventory list must be properly labeled at all times. The University Property Officer is responsible for the proper labeling of University equipment and other inventoried items including motor vehicles and farm equipment. The appropriate departmental chairperson or divisional director must notify the Property Officer immediately if assigned equipment is not properly labeled. Farm equipment or vehicles must not be operated until properly inventoried and labeled. Under no conditions should inventoried items be loaned or

removed from an office before it is properly labeled.

According to the laws of the state of Mississippi, all University motor vehicles shall have the name of Alcorn State University painted on both sides and rear. The letters on both sides must be at least 1.5 inches in height. The color of the lettering must be in contrast to the color of the vehicle in order that it is clearly visible.

### **18.8.5 INVENTORY RECORDS**

The University Property Officer has the responsibility for maintaining accurate and current inventory records of all equipment, non-consumable property and the name(s) of individual(s) responsible. Departmental chairpersons, deans and directors are encouraged to maintain their own accurate and current inventory records of property assigned to their areas.

Individuals leaving the University who have University inventory under their control must receive clearance from the Property Officer in order to receive their final payroll check.

### **18.9 REASSIGNMENTS/TRANSFERS**

#### **18.9.1 PERMANENT REASSIGNMENT OR TRANSFER OF EQUIPMENT**

Inventory property assigned to a division or department may be officially reassigned. Documents are completed and approved by the appropriate University officials as designated by the transfer documents. The Property Officer must receive prior notification before the property may be permanently relocated even though the individual responsible for the property does not change. Property officially reassigned will be redesignated as the responsibility of the new or receiving unit.

#### **18.9.2 TEMPORARY REASSIGNMENT OR LOAN OF EQUIPMENT**

In order to be cost effective and achieve the optimum use of University equipment, inter- and intra-departmental loans of inventory may be deemed necessary. A temporary reassignment, or loan, is defined as 30 days or less. When such temporary reassignments or loans are necessary, the proper documents must be executed before the transfer is made. The lending unit must check the condition of the property before the transfer.

Once the transfer is completed and the property is accepted by the receiving department, the borrowing department is accountable for the care and safekeeping of the borrowed item. The borrowing department must return the inventory item in a condition at least as good as when it was received or bear the cost of having the item repaired.

#### **18.9.3 TRANSFER BETWEEN EMPLOYEES**

Employees are not allowed to transfer equipment to other employees within their own department without the proper approval and documentation of the transfer. The Property Officer must be notified appropriately and the procedures outlined for Permanent Reassignment of Transfer of

Equipment must be followed.

### **18.10 STOLEN EQUIPMENT REPORTS**

Here are the instructions for reporting stolen equipment:

1. Persons responsible for the stolen equipment should initiate the reporting process.
2. Call Campus Police for an investigation concerning the theft and to complete a police report within 24 hours of discovery of the missing equipment.
3. Submit a written letter to your immediate supervisor concerning the theft.
4. Submit copies of the letter to the Vice President for Business Affairs, Campus Police and the Property Officer.
5. Complete an affidavit and attach a copy of the police report.
6. Submit the affidavit to the Property Officer with attached police report.
7. The report of the stolen equipment must be submitted within 30 days of the theft to the State Auditor Office.

Any employee found guilty of careless or mischievous, malicious or willful destruction of University equipment or loss of property may be required to pay for the repair or replacement of such property. This may also be a cause for immediate dismissal.

### **18.11 INVENTORY CHECKS**

The University Property Officer is authorized to conduct random checks of inventories in any area of the University without prior notice. If an item is unaccounted for during an inventory check, the individual officially accountable for the property will be given 24 hours to produce the item. If the missing property cannot be accounted for, the responsible individual will be required to pay the full cost of the property.

In addition to the random checking of inventory by the University Property Officer, departments and divisions must submit an inventory report to the University Property Officer at the end of each semester and the end of the second summer session. The University Property Officer must also conduct a formal annual inventory check each year.

### **18.12 DELETION OF PROPERTY FROM INVENTORY LIST**

The deletion of useless or obsolete University property from the inventory list may be initiated by anyone to whom the item is assigned. A deletion form must be completed and submitted to the University Property Officer. The Property Officer will request a meeting of the Salvage

Committee to review and rule on the request. The requestor will be provided a notice of the committee findings. If the property is to be removed, instructions will be given for the proper disposition of the property.