



ADMINISTRATIVE
POLICIES AND PROCEDURES MANUAL

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SUBJECT
PROPERTY ADMINISTRATION

SUB-TOPIC

ANNUAL INVENTORIES

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Once during each fiscal year, on the date prescribed by the State Comptroller, a state agency shall make a complete physical inventory of all property in its possession. The Property Administrator will send each custodial account property manager an inventory packet consisting of the following documents:

1. Cover Letter (Exhibit F15)
2. Inventory Listings (Exhibit F16)
3. Report of Equipment Located Not Listed on Inventory (Exhibit F17)
4. Interdepartmental Transfer/Release of Equipment Form (Exhibit F18)
5. Inventory Receipt (Exhibit F19)
6. Missing or Stolen Report for State Departments, Institutions, and Agencies (Exhibit F20)
7. University Property Custody Receipt and Instructions for Completion (Exhibit F21)

The annual inventory is processed in two phases: 1)Unofficial or "working phase" and 2)Official or "verification phase."

Unofficial or "Working" Phase

Upon receipt of the inventory packet, each custodial account property manager is required to conduct a physical inventory of all personal property within his/her area using the methods described in the cover letter of the inventory packet. This is the unofficial or "working" copy of the inventory. The custodial account property manager must provide a written confirmation of each asset's location or identify the asset as missing. The custodial account property manager must complete and return the appropriate documents, listed above, to the Property Administrator within thirty (30) days after receipt of the inventory packet. The forms referenced above are self-explanatory; however, if questions arise regarding their use, contact the Property Administrator.

NOTE: Failure to provide written confirmation of the location of each asset will place the asset(s) in missing status. (See "Missing/Stolen Equipment", Section F15-130.1, for procedures on reporting missing equipment.)



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Official or "Verification" Phase

Upon receipt of the completed "unofficial" inventory, the Property Administration Office will update the existing asset records. After the updates have been completed, the Property Administration Office will forward a second, or "official" inventory packet to the division or program head. It is requested that the custodial property manager compare the "official" to the "unofficial" report. This follow-up phase of the inventory process allows the custodial account property manager to verify that all updates have been made and to identify any additional changes which may be necessary. After the custodial property manager has reviewed the "official" inventory, he/she must return the official inventory documents to the Property Administrator.

NOTES:

1. It is not necessary to perform two physical searches. The physical search is performed during the first phase of the process.
2. The official inventory report results are reported to the State Property Accounting System.
3. To increase departmental internal controls over fixed assets and to reduce the time required to complete the annual inventory, departments are encouraged to relinquish obsolete equipment to Property Administration for surplus disposal. Surplus items are removed from the department's custodial authority and transferred to a surplus holding account.

Inventories Required Upon Campus Relocation

When a department or office is preparing to relocate to a different campus area, the departmental custodial account property manager must inform the Property Administrator of all changes involving the personal property charged to his/her custodial property account. In addition, if a department wishes to move furniture and furnishings to the new location, prior approval must be granted by the Vice President for Business Affairs.

I. Leaving an Old Location

Prior to moving from an assigned space to a newly assigned area, the custodial account property manager must conduct a physical inventory of the furniture, furnishings, and equipment in the space to be vacated no sooner than one (1) week prior to the move, and the following action must be taken:



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- A. Report Equipment to Be Moved to the New Location
The custodial property manager must forward a report to the Property Administrator listing all personal property to be moved from the old location to the new location. To accomplish this, contact the Property Administrator to obtain an inventory listing for the custodial authority, then apply the new locations and return the report to Property Administration for processing.
- B. Report Equipment to Be Abandoned or Left in Place
The custodial property manager must forward a report to the Property Administrator listing all equipment that is to be abandoned or left in place by (1) completing the "relinquishing department" section of the Interdepartmental Transfer/Release of Equipment form and (2) placing an "X" in the "transferred to the above-referenced receiving department" section of the form. (Exhibit F18) Abandoned equipment will be maintained on the abandoning department's custodial property account until a new owner can be established. When the property is transferred to a new owner, the Property Administrator will have the new owner verify the accuracy of the listing and complete the "receiving department" section of the transfer/release form. Upon receipt of the completed Interdepartmental Transfer/Release of Equipment form, the Property Administrator shall make the necessary adjustments to both custodial property accounts.
- C. Report Equipment to Be Retired to Surplus
The custodial property manager must forward a report to the Property Administrator listing all equipment that is to be considered excess to the department's needs by completing the "relinquishing section" of the Interdepartmental Transfer/Release of Equipment form and by placing an "X" in the "released to Property Administration as surplus/salvage property" section of the form. In addition to completing this form, the custodial property account manager must submit a Physical Plant Work Request form to arrange for removal of the surplus equipment. Once the completed Interdepartmental Transfer/Release of Equipment form and the referenced equipment is received by the Property Administrator, he will verify the



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document for accuracy, document any discrepancies, then sign the "receiving" section of the form and make the necessary adjustments to both the custodial property and the surplus/salvage equipment accounts. A copy of the completed form will be forwarded to the relinquishing department for their inventory records. It is important to note that departments are not allowed to discard damaged or cannibalized equipment. Damaged equipment, or the remains of cannibalized items, must be sent to the surplus storage facility along with the appropriate documentation.

NOTE: When relinquishing computer equipment to surplus, the custodial property manager should ensure that all software (both operating system and applications) is deleted from the computer equipment. This process will eliminate the possibility of recirculating unlicensed software products and sensitive information (copyright infringement, federally protected records, etc.). (See Exhibit F22.)

II. Occupying a New Location

Prior to moving into a newly assigned area, the custodial account property manager must conduct a physical inventory of all furniture, furnishings and equipment within the space to be occupied. The account property manager must forward a report of this equipment to the Property Administrator by memorandum. Upon receipt of this report, the Property Administrator will cross-reference this report with the Interdepartmental Transfer/Release of Equipment forms which have been forwarded by the department(s) abandoning the space and submit the appropriate Interdepartmental Transfer/Release of Equipment form for completion by the "receiving department," i.e., department occupying the new location. Once the completed form is received by the Property Administrator, he will adjust both custodial property accounts accordingly.

III. Causes for Changes in Inventory Listings

The Property Administration Office must receive a source document signed by the individual with signature authority for the custodial account when a request for transfer or deletion of assets is made. The correspondence must include the tag



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reference number and description, the reason for deletion, and the current physical location of the asset (for verification purposes).

Possible causes for removal or additions to a departmental inventory include, but are not limited to, the following categories:

- Transfer of Equipment Between Departments
- Missing Equipment
- Stolen Equipment
- Cannibalized Equipment
- Damaged Equipment Retired to Surplus
- Equipment Returned to Vendor
- Equipment Trade-ins
- Missing Equipment Eligible for Deletion
- Equipment Transferred to Surplus/Salvage
- Equipment Transferred to Another State Agency
- Federally-Owned Equipment Transferred to Another Grant/Contract
- Federally-Owned Equipment Abandoned-in-Place
- Federally-Owned Surplus/Salvage Equipment
- State Property Accounting Non-Reportable Assets