

PROCEDURES FOR THE SAFEGUARDING AND DISPOSAL OF STATE PROPERTY

Humboldt State University

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The procedures are divided into three sections.

Section I – Guidelines for Safeguarding State Property

Section II – Internal Transfer, Relocation, and Loan of Equipment

Section III – Process for the Disposal of State Property

SECTION I – SAFEGUARDING STATE PROPERTY

ICSUAM Policy 3150.01 requires the University to create a policy appropriate to the University environment. This section outlines the procedures at Humboldt State University for the Safeguarding of State Property.

Property valued with an acquisition cost of less than \$5,000, and included in the University Asset Management system will be tagged and consist of the following “sensitive” items:

- University Police Firearms
- All Vehicles
- All Federally Funded Equipment
- Sensitive Equipment

Property valued with an acquisition cost of \$5,000 or greater and a useful life of one year or greater shall be capitalized as well as tagged and recorded in the campus property inventory records and included in the campus financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP).

It is the responsibility of Department Chairs, Deans, Directors, and Program Administrators to control and safeguard all items of value in their charge. To that end, it is recommended that Department Chairs, Deans, Directors, and Program Administrators or their designees maintain some form of record for property in their charge having an acquisition cost of less than \$5,000.

Property valued under \$ 5,000 which is highly desirable or important to operations and do not fit the aforementioned criteria (e.g. microscopes, machining equipment, sorters, ice makers, musical instruments, athletic exercise/training equipment, etc.) should be considered theft/damage sensitive property items. It is highly recommended that departments with theft/damage sensitive property record the receipt of these items. Make, model, value, and serial numbers should be noted and recorded in departmental records. These items may be maintained in SCLogic, the third party inventory software. For more information about SCLogic, go to: <https://www.humboldt.edu/its/services/asset-management-system>

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A tag# is required to enter items into SCLogic, but the department is responsible for creating and maintaining those tags. The only restriction is that it CANNOT begin with "S", "F", "ITS" or "AC." These assets will be assigned a Business Unit of "LOCAL" so that they do not get uploaded into PeopleSoft. The tags for the "LOCAL" assets should be unique to the department. For example: BIOXXXXX for the Biology Department.

Property purchased with Federal contract/grant funds and owned by the funding agency shall be subject to the accountability requirements of the funding agency (regardless of dollar value). A physical inventory of this equipment shall be taken and the results reconciled with equipment records at least every three years or sooner if required. Any differences shall be investigated to determine the cause or causes of the discrepancy.

State property checked out by employees for use at home (or other off campus locations), regardless of value, shall be tracked and accounted for by the responsible department and an [Authorization for Off-Campus Use of Equipment Form](#) must be completed and returned to Financial Services-Accounting.

All state property checked out to an employee shall be returned to the University upon the employee's separation from the University.

Equipment use for personal projects or private events is PROHIBITED. Equipment will not be removed from campus except for official University-related projects, functions, department duties or class-related assignments. The person to whom the equipment is assigned must notify Financial Services-Accounting when relocating equipment from one location to another. Authority must be granted in writing utilizing an Equipment or Material Check-Out form, and released by a duly authorized department representative, or University official having jurisdiction over equipment. Employees will be charged with any loss and damage to University property due to their negligence or unauthorized use.

Frequency of Campus Inventories

The University will conduct a physical inventory of all property not less than every three years. A representative from Financial Services-Accounting will coordinate the effort (with the building coordinator if necessary), by having the asset manager and/or one or more student assistants go out with a handheld scanner and scan all items with an "S" or "F" barcode tag a building at a time. Financial Services-Accounting will also be responsible for uploading the results of the inventory into PeopleSoft and generating reports with the results of the inventory.

The inventory process will include a physical count of all property, the condition of the property and reconciliation of the count with the AMS records not less than every three years. Department Inventory Coordinators may be designated by the Department Chairs, Deans, Directors, and Program Administrators of their department to work with Financial Services-Accounting and if 5% or more of the data reveals discrepancies, Financial Services-Accounting should work with department to ensure assets are accounted for and in the appropriate locations.

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In addition to the full inventory performed every three years, Financial Services-Accounting should coordinate informal, department-level inventories when circumstances indicate that it may be warranted (e.g. when a department moves locations or when several items have been reported missing, etc.)

Results of Inventories

Financial Services-Accounting will identify all discrepancies disclosed by physical inventory. The listing shall include a signed statement, by the department head or designated assignee, that physical inventory of all or certain classes of property was completed on a given date and that the official property records were found to be in agreement with the physical inventory, except for discrepancies reported. Electronic physical inventory reports will be generated and saved for audit purposes.

SECTION II – INTERNAL TRANSFER, RELOCATION AND LOAN OF EQUIPMENT

It is the responsibility of the department to notify Financial Services-Accounting of all relocations of equipment items as follows: See the SCLogic business process guide for more detailed instructions.

Relocation within a Department (Intra-Department Moves)

When the only change is the physical location of equipment within a department, it will require logging into SCLogic and completing and submitting a property move form electronically. Make sure all fields in the web form are completed. It is recommended that the requestor keep the PDF receipt electronically for their records. No approval is required for this action since this would only be a move within the SAME department.

Relocation of Entire Department

After a department relocates, the department should conduct a complete physical inventory of equipment and report it to Financial Services-Accounting.

Inter-Departmental Transfers

When equipment is transferred between departments (either temporarily or the entire life of the asset), it will require logging into SCLogic and completing and submitting a property transfer form electronically. It is recommended that the requestor keep the PDF receipt electronically for their records. This request will automatically be forwarded to the transferring department head or authorized assignee for approval or non-approval and then on to Financial Services-Accounting. Asset management will be responsible for requesting approval from the receiving department.

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

Any loan of University equipment to an external organization or to an individual is prohibited under any circumstances unless it is for University business and approved by the Vice President of Administration and Finance.

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Inter-Campus Loans of Equipment

Inter-campus loans of equipment (between other California State University Campuses) require prior approval of the appropriate department Chair or Director and Financial Services-Accounting will be notified. Loans of one year or more are recorded in inventory records; inter-campus loans should be documented on an Off Campus Use of Equipment Agreement. Other schools outside of the CSU system are considered external organizations and any equipment loan proposals should be reviewed and approved by the appropriate department Chair or Director and Financial Services-Accounting will be notified.

SECTION III – DISPOSAL OF STATE PROPERTY

ICSUAM Policy 3150.01 delegates authority to the President to sell or exchange any University state property. The President has delegated the University's Vice President of Administrative Affairs / Chief Financial Officer and her/his designees, the authorization to sell or exchange any University state property.

Adherence to the following procedures will facilitate accurate recordkeeping related to the disposition of state property. 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.

If a department has property that is not being utilized, it will require logging into SCLogic and completing and submitting a property disposal transaction form electronically. This request will automatically be forwarded to the department head or authorized assignee for approval or non-approval and then on to Financial Services-Accounting. It is recommended that the requestor keep the PDF receipt electronically for their records. The request must then receive at least 3 approvals from the Property Survey Committee (PSC) and then Financial Services-Accounting will arrange for proper re-use or disposal. Campus departments should never trade, cannibalize, or dispose of University property without approval from the Property Survey Committee.

Surveyed property may be re-used or disposed of in the following ways:

Equipment in working order:

- At the discretion of the PSC, offered internally first via campus auction. Recipient department will be charged any moving or storage expense. (Moving expense is charged only if it is associated with a project (such as the SBS move). Storage fees are under lease agreements, e.g. for the east wing of the annex for example.
- Offered on the [Public Surplus](#) website to other departments (for CSU business use) on campus
- Offered on the [Public Surplus](#) website to schools and other public and state agencies.
- Offered on the [Public Surplus](#) website to nonprofits.

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- Offered for public sale on the [Public Surplus](#) website.

Equipment not in working order and only after following the asset disposal process:

- If possible, cannibalized for parts.
- Disposal to a certified, off-campus recycler by the Sustainability & Waste Coordinator.
- Disposal to a refuse disposal company by the Sustainability & Waste Coordinator.

Prior to removal off-campus, all equipment must have the property tags removed or obliterated.

Proceeds from any sales will be distributed as follows:

- If a department sells a capitalized asset (value of \$5,000 or greater), the proceeds of the sold asset will return to that department ONLY IF the sold asset is replaced with a new asset that serves a similar function.
If the above criteria are not met, the proceeds of the sale will revert back to the University, with no exceptions.

Cannibalization of Property

- If obsolete or broken equipment is cannibalized, the department is to complete the electronic property disposal transaction form on the SCLogic site and follow the process outlined in the beginning of Section III of this document. Failure to do so will result in the property not being found during the next physical inventory reported to UPD as lost or stolen.

Lost, Missing, Stolen or Destroyed Property and Equipment

- When a person discovers that University property or equipment has been lost or stolen, UPD and Financial Services - Accounting are to be notified immediately. A [Report of Missing Property Form](#) is to be completed and sent to Financial Services-Accounting. It will also require logging into SCLogic and completing and submitting a property disposal transaction form electronically. Financial Services-Accounting will then be able to attach the missing property report as well as the approval emails to the asset, electronically, generate a survey report, attach the Equipment Loss Report to the survey documents, and forward them to the Property Survey Committee for approval. Additionally, the Equipment Loss Report is to be used to report missing property not found during a department's periodic inventory.

Employees may be charged for any loss or damage to University property that is attributable to negligence or unauthorized use. The charges will be determined by the Department.

Tree Disposal

If any campus trees have either fallen through natural causes or need to be cut down for any reason, The University's Vice President has authorized the Sustainability Director to contact the following:

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- Local Native American tribes.
- Any other organization that can use the wood for firewood, etc.

DEFINITIONS:

Salvaged/Cannibalized: To disassemble or dismantle property to obtain useful parts for use on other property, thereby rendering the original property useless.

Facilities Management Definition of Equipment:

Group I and Group II definitions

Group I Equipment: Group I equipment is defined as built-in equipment installed with “Significant Utility Connections”. Significant utility connections are defined as: a utility connection that is required to have a qualified trade person (electrician, plumber, etc.) perform installation and/or maintenance. Any purchase of Group I equipment must be approved by Facilities Management. Equipment may fit the definition as Group I but may be exempt based on the equipment’s specific programmatic use and/or by agreement that specific equipment will not be maintained by Facilities Management.

Examples of Group I: science laboratory benches, fume hoods, wind tunnels, theater rigging, growth chambers, sinks, reverse osmosis and distilled water systems, vacuum systems, built in freezers and refrigerators with remote condensing units, built in washer and dryers, baseboard heaters, exhaust fans and air handlers, boilers, chillers, other HVAC systems, and permanently installed generators

Group II Equipment: Group II equipment is generally movable, self-contained and does not require significant utility connections. Group II items are not required to be approved by Facilities Management but equipment that may change building or utility condition or requires anchoring to structure (impact to utility load, increased heat, space requirements, conditioned or dedicated power) will require Facilities Management consultation.

Examples of Group II: tables, chairs, microscopes, hand-held electric tools, personal computers and printers, cameras, etc.

Group II Requiring Facilities Management Consultation Examples: Laminar flow hood, computer servers, multiple computers for a single location, sterilizers, refrigerators, freezers, ovens, kilns, equipment with anchoring requirements, DNA sequencers, electron microscopes, multi-function network printers/copiers, washer and dryers.

Capitalized Equipment: Tangible, non-consumable property meeting and includes all of the following criteria:

- A unit acquisition cost of \$5,000 or greater (including all costs incurred to acquire and to ready the asset for its intended use such as purchase price, applicable tax, freight, etc.),
- An estimated life of greater than 1 year,

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- Is not permanently attached to or incorporated in the CSU buildings and grounds, and
- Is used to conduct CSU business.

Capitalized equipment must be **tagged and inventoried** by the Financial Services-Accounting Office. Detailed guidelines on capitalization of assets are located in the CSU GAAP Reporting Manual Capital Asset Guide (DOC) and are generally administered by Financial Services - Accounting.

The exception to the capitalized equipment tag and inventory requirement is modular furniture which can be assembled and re-assembled in various configurations. The Financial Services-Accounting Office will tag and inventory when the following criteria are met:

- Comprised of components integrated to create work station(s)
- Average cost of workstation is \$5,000 or greater
- Must be acquired using account 619001

The Financial Services-Accounting Office will document the physical location where workstations are configured. Workstations may be accounted for individually or as a cluster. Modular furniture will be retired from the asset management records when deconstruction of workstations(s) occurs.

Non-Capitalized Equipment:

- Non-Capitalized equipment is equipment that does not meet the capitalization requirement.
- Generally, the "sensitive equipment" will be categorized as Non-capitalized equipment. See below.

Sensitive Equipment: Equipment purchased with University funds, regardless of cost and includes the following:

- University police firearms
- All vehicles – includes equipment that is self-propelled, whether or not registered by the DMV for street use. For details see General use mobile equipment per ICSUAM 5303-00 Commodities with Special Purchasing Requirements.
- Any device with memory or the capacity to store Level I or Level II data as defined by CSU Information Security Data Policy- 8065 including but not limited to computers, laptops, tablets, iPads, networked printers and copiers.
- For the purpose of these procedures, flash drives are considered office supplies.

Sensitive equipment must be **tagged and inventoried** by the Financial Services-Accounting Office, however, Information Technology Services (ITS) may be issued tags to place on computing equipment as part of their process.

Property Survey Committee: (PSC) a group designated by the Vice President of Administration and Finance to review and approve the disposition of state property.

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Other University Property: Desks, bookshelves, chairs, file cabinets, and other miscellaneous equipment and furniture that are not capitalized or entered into the Asset Management property recording system. Please note that all surplus property and equipment must be disposed of through the PSC, regardless if the property or equipment is maintained on the University's database.

AMS: Asset management system in PeopleSoft.

SCLogic: Third party software used to complete and submit webforms for any asset disposals, moves and transfers.