Welcome to Texas A&M University-Corpus Christi Inventory Training
Course Objectives

- Importance of property management.
- Understand your financial liability for fixed assets.
- Recognize all employees have responsibilities for equipment, and
- Know the types of items that must be inventoried.
Course Objectives (cont’d.)

- Realize there are procedures to dispose of equipment.
- Reduce or eliminate missing and stolen items.
- Physically account for all property at all times.
- Develop and maintain departmental inventory “Best Practices”.
Accountable Property Officers (APO)

- Each Department Head is the APO and responsibility can not be delegated.
- Responsible for the physical possession and control of all equipment entrusted to the activities within his/her respective unit.
- Financially liable for loss or damage to property that results from negligence or failure to exercise reasonable care to safeguard, maintain, and service property.
Accountable Property Officer’s Designation & Authority:

- Designated as Accountable Property Officer and assuming accountability for assets belonging to department.

- Understanding that APO is under financial liability for loss or damage to items if loss or damage resulted from negligence, intentional act, or failure to exercise reasonable care to safeguard, maintain, or service items.

- Delegation of an Alternate APO (Alt APO) does not relieve APO from the aforementioned responsibilities.
The APO is responsible for the following:

- Physical possession and control of all equipment entrusted to the department.
- Appointment of a responsible Alt APO, if necessary, and timely notification to the TAMUCC Property Officer of any Alt APO changes.
- Verifying that all Alt APOs have attended departmental property processes training and, if necessary, FAMIS training.
- Ensuring that all unit employees are trained such that each has an awareness of their respective responsibilities for property processing and/or custodianship.
Timely transfer of equipment that is no longer needed within the unit to Surplus/Central Receiving.

Timely notification and report of missing or stolen property to the TAMUCC Property Officer.

Physical verification and certification of current inventory on an annual basis.

Management of equipment that is assigned or on loan at a location outside the respective unit.

Physical verification of assets assigned to terminating employees to ensure proper reassignment, transfer, or disposal of all pertinent inventory.
Statement of Responsibility Summarized

- Control of equipment.
- Responsible departmental property contact.
- Employees trained.
- Maintain records.
- Exercise reasonable care.
What is Reasonable Care?

Reasonable care means that steps have been taken to ensure:

- Acceptable upkeep and maintenance of the asset,
- Security of the asset,
- Location of the asset,
Example of negligence and not exercising reasonable care:

- Dr. Miller, checks out a laptop computer from his department to work at home. He puts the computer in the passenger seat of his car and leaves work. He stops at a convenience store to buy a soda. He locks his car, but someone steals the computer. Who is liable?

- Dr. Miller would be liable. He did not exercise reasonable care. He left the computer in plain view. If he had locked the computer in his trunk (out of sight), he would not be liable.
APO May Designate an Alternate Accountable Property Officer

- This does not relieve the APO of any responsibility.

- Alt APO acts on behalf of the APO in the day-to-day care of inventory.

- The Alt APO typically:
  - Ensures Property Officer (Efrain) tags new equipment,
  - Completes property forms,
  - Performs annual inventory, and
  - Manages departmental property on a daily basis.
Texas A&M University - Corpus Christi Employees

- Are responsible for the equipment they use at work.
- Must exercise “reasonable care” for the safekeeping over the equipment assigned to him/her.
- At no time should state property be used for personal gain.
- Can be held financially liable for damages or losses to the state property he/she uses at work.

*Department Head must ensure that all employees are aware of their respective responsibilities for property.*
What is Inventory?

- Inventory is an itemized list of property for which each Department Head is held accountable.

- Inventory consists of BOTH capital and controlled items.
A single piece of property that costs $5,000 or more **and** has a useful life of more than one year is capital.

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000.00 pickup truck</td>
<td></td>
</tr>
<tr>
<td>$5,000.00 microscope</td>
<td></td>
</tr>
<tr>
<td>$7,000.00 network printer</td>
<td></td>
</tr>
</tbody>
</table>
Depreciation simply means an item decreases in value as it ages. So, a $10,000 item may have a book value (*worth*) of $5,000 in a few years.

But regardless of worth, if the original cost met the capital threshold, the item will remain on inventory until it is properly disposed or transferred.
Controlled Items

- Items the State Comptroller’s Office considers high risk and need to be monitored.
- Cost between $500.00–$4,999.99 each. *Computers, Laptops, I-Pads, Cameras, Projectors*
- Depreciation on controlled items is not calculated.
Examples of Controlled Items
(Specific item when they cost between $500 & $4,999.99)

- Computers/Laptops/iPads
- Network Printers
- Projectors
- Cameras and Camcorders
- Televisions/VCRs/DVRs
- Stereo Systems
- Firearms (regardless of dollar value)
Inventory Reporting

- All items that meet the capital or controlled requirements (regardless of source of funds) must be reported as inventory.

- Rules apply not only to state funded equipment but **ALL** equipment purchased by or donated to TAMUCC.
Current Legislation

- Effective 9/1/2001, Texas A&M University-Corpus Christi must annually report to the Legislative Budget Board and the State Comptroller’s Office the value of property lost or missing from the institution.

(Senate Bill 1 (SB1) Article IX – Section 9.03 Lost Property).
University general revenue funds will be reduced if the amount of missing/stolen assets falls within a certain threshold.

Missing property will remain on your department’s inventory for at least two years.
Departments are required to search and account for any missing or stolen equipment.

**Missing:** Property that has disappeared and no one can explain the disappearance.

**Stolen:** Property missing by theft, whether by forced removal, burglary, theft by employees, or other criminal acts.
If property is missing, notify Property Officer as soon as possible and no later than 24 hours.

Stolen property must be reported to the proper police authorities within 48 hours.

Complete a Missing or Stolen Property Report and submit to the Property Officer.

Property Officer and Property Manager will confirm on stolen or missing property.

If the item is recovered, notify both Campus Police and Property Officer.
Cannibalized Equipment

- Equipment dismantled and parts used in other assets.
  - Example: Computer Services personnel frequently use of parts from broken computers to fix other computers.

- Cannibalized equipment must be removed from inventory.

- Prior to cannibalization, complete “Property Deletion Form” and submit to the Property Officer.
Laptops & IPads Security

- Care must be taken when handling laptops and IPads.
- Must be physically inventoried once a year.
- Must have off-campus permit if laptop or IPad is used off-campus.
- Permit must be approved and signed yearly.
- See Property website for forms and instructions on loaning laptops and IPads.
Loaned Equipment

- Remains on department’s inventory and must be accounted for during annual certification.
- Even though the department is loaning out the equipment, the Department Head is still responsible for it.
- Departments are required to document the loan.
- Tag all loaned equipment, not just inventoried equipment.
Trade-ins

- A trade-in is surplus property that is exchanged for new property of the same general type and is in the best interest of the State of Texas.

- Only trade-in TAMUCC inventoried equipment towards the purchase of new TAMUCC equipment. In other words, the new item cannot be purchased with another A&M System Member’s funds.
The Surplus Process

- All excess property must be sent to Central Receiving in order to comply with numerous state laws on the disposition of property.

- Both inventory and non-inventory items (furniture, extra office supplies, etc.) get sent to Central Receiving.

- Computer **hard drives** need to be sanitized (cleaned) first.

- Cannot discard surplus item without prior approval from Property Officer.
Special Sales

- May only occur with permission from the Department Head, Executive VP for F&A, and the Property office.

  Example: A professor terminated employment with TAMUCC to work at another university and requested that TAMUCC sell the equipment he/she used at TAMUCC to the other university.

- It must be in TAMUCC’s best interest to sell items through a special sale.

- TAMUCC would generally not want to sell anything to another university if the property could be used elsewhere at TAMUCC.
Potential Property Audit Issues

- Items not tagged or permanently marked with a TAMUCC inventory number.

- Incorrect location recorded in FAMIS.

- Employees not trained to fulfill their inventory responsibilities.
How Does Your Department Rate in These Areas?

- Attitude towards property management.
- Inventorying the appropriate items.
- Marking and Tagging all equipment.
- Performing Annual Inventory Certification.
Recap

- Support for property management starts with YOU.
- All employees must work together to keep their department’s inventory records up to date.
- All items that meet the capital or controlled requirements must be inventoried.
- There are procedures to dispose of equipment.
Website: http://adminservices.tamucc.edu//contracts_hub_property/prop_office.html


Advice/guidance via phone or email.

Point of contact with State Comptroller’s Office - Property Division.
Property Management Support (cont’d)

- TAMUCC Property Office hopes this Training has been beneficial.
- Completion of the training will satisfy the requirements as stated on the Certification of Physical Inventory.
Direct any questions concerning university property to:

Property Office
inventory@tamucc.edu

or Property Office at
361.825.2771

Property Office Website
http://adminservices.tamucc.edu//contracts_hub_property/prop_office.html

TDP– Reference Material Website
  
  - http://adminservices.tamucc.edu/contracts_hub_property/Inventory%20Reference%20Material.html