

Louisiana State University Property Management Procedures

Subject: Moveable Property and/or Equipment Use, Maintenance,
Identification/Tagging, Disposal, Transfer, and Annual Inventory
(Note: BOP 4-5, Federal Government/Grant Property available upon request)

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1. Scope

All offices of Louisiana State University Agricultural and Mechanical College, LSU Agricultural Center, and other campuses served by the LSU Office of Property Management are required to observe the basic policy set forth herein.

2. Authority

State Statutes (Louisiana revised statute Title 39) and University regulation provides that the Office of Finance and Administration Services shall devise and install suitable systems of accounting and property management for moveable property/equipment.

3. Definition

Moveable property is defined as items of a nonexpendable nature costing or being valued at \$1,000 or more with a life expectancy of one year or greater. Items meeting the \$1,000 original acquisition cost/value threshold shall be tagged with an LSU inventory number and carried on the University's inventory records. Software is not considered moveable property. However, departments should take steps to establish a record keeping system to track software acquisition in order to prevent abuse and ensure applicable programs are purchased. Copies of purchase orders and/or direct charge invoices are recommended. Each department is responsible for maintaining adequate internal records for property/equipment valued under \$1,000 in the event a claim for loss under Risk Management guidelines is required for these items. Copies of appropriate purchase orders and/or direct charge invoices are recommended. Departments are advised to familiarize themselves with requirements of the University's Office of Risk Management.

4. Departmental Property Custodian

Each department must designate a suitably knowledgeable employee as Property Custodian. The individual's name, office, and telephone number is to be forwarded to the Office of Property Management. Property Management should be notified as soon as possible when the designated property custodian changes. Generally, the departmental Property Custodian is responsible for coordinating the annual inventory, updating current inventory information (such as room location changes) to the Equipment Records Inventory System, and acting as the administrative liaison with Property Management as well as assisting Property Management staff in the identification and tagging of equipment.

5. Use of University Property/Equipment

University property/equipment is to be used only in performances of University duties. It is contrary to University policy to lend University property (Ref. Article 7, Section 14 of Constitution) to individuals or organizations for their personal use. With respect to this policy, particular care is to be exercised regarding use of fleet vehicles.

It is contrary to University policy for anyone to remove University property/equipment from the University premises for purposes other than University business. Request to remove equipment from University premises must be approved by the Property Manager in writing (Remote Location/Home Storage Request should be utilized) prior to removal. However, where circumstances justifies, blanket approval may be granted upon written request.

6. Identification, Marking, and Tagging

In general, Office of Property Management staff will be responsible for affixing an LSU property tag on equipment after items are delivered to a final location. Departments are required to assist Property Management staff by providing access to equipment and helping with technical identification. A tag will be placed on the front of the equipment near the manufacture's nameplate or logo or somewhere near the front in a position for easy scanning or sighting. Additional identifying information such as serial or model numbers will be recorded or verified at this time.

Because of surface or material conditions, certain equipment may require tag numbers to be attached or written with a permanent marker.

If Property Management is unable to obtain access to department equipment, tags will be assigned to the equipment and issued to the Department Head or Property Custodian along with a copy of the respective purchase order marked to identify and match tag numbers with purchase order item numbers. A Property Management file copy of the purchase order with a list of the LSU tag numbers assigned must be signed for at the time of issue by a department representative. This file copy will be retained as a record for audit purposes. The equipment item and assigned inventory numbers will be added to the department's inventory records. It shall be the responsibility of the department to affix tags which are assigned in the manner cited above to the proper equipment. After tagging, any additional tagging information, such as serial or model numbers, building, and room location, should be forwarded to the Office of Property Management.

Departments are responsible for notifying Property Management of any equipment under their control that does not have an LSU inventory tag if equipment is valued at \$1,000 or more.

7. Utilization of equipment

It is the responsibility of each department to provide proper and adequate care, maintenance and security for all equipment under its control in order to maximize useful lifespan and minimize loss from acts of theft.

If repairs to property or equipment are required, they should be completed expeditiously in order to maintain the property in good working condition. However, sound judgment should be used to determine whether the value of property warrants the cost of repairs.

When property or equipment is temporarily idle but required for authorized future use, it must be stored in accordance with good housekeeping practice and with adequate protection from corrosion, contamination, and damage to sensitive parts.

If assistance is needed in providing proper security, the LSU Police Department will provide advice and recommendations.

Every effort should be made to properly utilize equipment. The practice of hoarding unused equipment is contrary to University Policy. If equipment is no longer of use to a department, it must be transferred in accordance with this policy. If equipment becomes obsolete, it must be disposed of or dismantled for parts as provided in this policy.

8. Disposition of Equipment

Property items/equipment, tagged or untagged, may be disposed of, transferred, scrapped, or dismantled for parts only after prior approval has been attained from the State Division of Administration/Louisiana Property Assistance Agency(LPAA) through the University's Office of Property Management. Large items such as trucksters, tractors, backhoes, forklifts, and farm equipment will be required to have pictures submitted to Property Management with the possibility of being physically viewed by Louisiana Property Assistance Agency auditors before dismantle/scrapped.

8A. Transfer to other University Departments

The Office of Property Management must be notified in writing of equipment transfers between University departments. It is the responsibility of the department transferring the equipment to obtain a signed receipt from the receiving department using the Equipment Inventory Action Request Form. The new account number and location must be indicated. After completion, the original form must be sent to the Office of Property Management in order for inventory record adjustments to be executed. Copies should be retained by each department. The

receiving department is responsible for updating Equipment Record Inventory (ERI) information for equipment transferred to a different building or room.

Many departments often use interdisciplinary clearing accounts to purchase equipment, which is in turn distributed to specific department units with different accounts. The Office of Property Management must be notified in writing of these transfers in order for inventory records to be properly credited.

8B. Transfer to University Surplus Warehouse

Departments are responsible for obtaining a signed receipt for their records when releasing equipment to the Surplus Property division of the Office of Property Management. A memo listing the equipment or the Equipment Inventory Action Request form may be used for this purpose. Missing/Unaccounted for items will not be credited as surplus without receipt documentation.

8C. Transfer to State Surplus Property Agency

When departments are willing to transfer their surplus inventory deliver to LPAA, prior approval must be given through LPAA. An active request must be forwarded to Property Management for prior approval from LPAA. Once approval is given by LPAA, Property Management will inform departments to transfer equipment directly to LPAA Surplus Warehouse. Departments are responsible for obtaining a signed receipt, even if items are delivered by Facility Services, from LPAA Surplus Warehouse. Signed receipts are to be returned to Property Management to have items removed from the ERI records. Failure to provide signed receipt could result in items listed on the suspense category.

8D. Transfer to Other State Agencies

Prior approval must be given by LPAA to transfer items to other State Agencies. An Action Request must be forwarded to Property Management for prior approval from LPAA. The State Agency, contact person, and telephone number are required on the Action Request. For grant/contract items, approval must be acquired from the Sponsored Program Accounting Office.

8E. Transfer to Non-Louisiana State Institution

The LSU Property Management Office must be notified in writing if equipment is to be transferred to non-Louisiana State institutions/agencies. It is the responsibility of the department to provide property Management information on the items requested to be transferred. An Equipment

Inventory Action Request Form is to be submitted with complete itemized list of all equipment proposed for transfer. It should be noted that the time required processing forms and other necessary paperwork and to obtain approval from all parties concerned can be lengthy. Therefore, plans should be made accordingly and allow for sufficient lead time. Additional information can be found in BOP 4-2 and 4-5.

For items purchased with State funds, equipment should remain with the department. If the department has no need for the equipment, department head is to contact various disciplines within the University to see if the equipment could be of further use. If there is no need for the equipment within the University community, Property Management will process the necessary form to state LPAA requesting a transfer. The receiving institution is to submit a written request indicating items to be transferred and the dollar amount the institution is willing to pay. Of course, the final decision will be made by State LPAA. Whatever dollar amount is agreed by the receiving institution, the University, and State LPAA, the check will be made to State of Louisiana-Division of Administration. No funds will be received for the rendering department unless a special request is made to use such funds to purchase like items. The request is to be made in advance with appropriate signatures provided by the department head, dean or director, and appropriate Vice Chancellor. The request is to be forwarded to the Office of the Vice Chancellor for Finance and Administrative Services.

For items purchased with Sponsored Projects funds that have expired, in most cases the equipment ownership is transferred to the University. Therefore, the above scenario is the same when a request is made to transfer equipment to another institution. However, depending on the grant type, 80% of the funds generated will be kept by the University department relinquishing the equipment.

For items purchased with Sponsored Projects funds whereby the grant is still active, the Granting Agency must provide a written statement to the University indication their approval to transfer equipment to another institution.

8F. Dismantle for Parts

An action request for permission to dismantle for parts must be sent to Property Management prior to any action being taken. Property Management will forward request to LPAA for approval. If approved, Property Management will submit to department document indicating approval. Dismantling equipment prior to approval will place equipment on suspense.

8G. Scrap

An action request for scrap approval must be sent to Property Management prior to any action

being taken. Property management will forward request to LPAA for approval. If approved, Property Management will submit to the department documentation indicating approval with recommendation to scrap item(s). Departments are responsible for actual scrapping of approved item(s). Scrapping equipment prior to approval will place equipment on suspense.

8H. Stolen/Missing Inventory Property

If a department determines that an item on their inventory has been stolen from campus, it must be reported to the LSU Police immediately. LSU Police will provide a copy of the Incident Report form to Property Management and the District Attorney's Office. The department must submit an Equipment Inventory Action Request Form to Property Management at this time. For items stolen from an offsite location, the local law enforcement in that area is to be contacted immediately and a police report obtained. The department must promptly notify Property Management and provide a copy of the police report along with an Equipment Inventory Action Request Form. Property Management will submit this report to LSU Police who will provide a copy to the District Attorney's Office. In either instance, once Property Management received written notification, copies will be forwarded to the Legislative Auditors.

Theft/loss "...involving computing resources either attached to a LSU operated network or in a functional unit shall be reported immediately to the Network Operation Center (NOC)." Please refer to PS-114 (Security of Computing Resources) for further information.

LSU ITS offers a laptop locator tool, which once installed on a computing device, may be used to track it down should it be lost or stolen. LSU faculty and staff may download this resource free of charge through TigerWare.

It should be noted equipment suspected of being stolen cannot be routinely removed from departmental inventories and must be placed on a department's inventory discrepancy list if proper reporting procedures are not followed or if evidence of some forced entry is not documented in the police report.

8I. Trade-In or Sale of Equipment for Credit

Trade in(for credit) or sale of used or obsolete equipment when purchasing similar replacement items is permitted only under certain circumstances and must be coordinated through the Office of the Director of Purchasing and the Office of Property Management. Prior approval is required from the State Division of Administration/Louisiana Property Assistance Agency before a trade-in or sale can be authorized. Property Management will forward to Purchasing and the department the *transfer detail* indicating LPAA's approval. The department is to submit to Property Management a copy of the *transfer detail* with signatures from the vendor receiving the trade-in

item(s) and a **departmental representative, preferably the department's property custodian or business manager.**

A department's intention to pursue a trade-in sale under this provision must be made known to the Purchasing Office at the time the original requisition is submitted.

9. Gifts/Donations

In accordance with State Property Control Regulations, all items of moveable equipment acquired by the University through acts of donation or as gifts become the property of the University, except for items donated specifically to the LSU Foundation, which will remain the property of the Foundation. Gifts and donations must be accompanied by documentation provided by the donor indicating fair market value. However, in certain cases further evaluation of a donated item after receipt may cause for the receiving department and/or Office of Property Management to determine a revised value for inventory control purposes. Donated items will be tagged and recorded in the inventory if value is established at \$1,000 or more. Departments receiving gifts or donations of moveable equipment that meet inventory requirements must directly notify the Office of Property Management in writing within ten(10) days, and provide the following information using form A5522 found at <http://www.fas.lsu.edu/AcctServices/forms/spa/as522.pdf>.

- (a) Name of Donor
- (b) Item Description
- (c) Model and serial number (if applicable)
- (d) Value
- (e) Location
- (f) Date Received

Department must take all necessary steps to ensure that items of equipment accepted as gifts or donations have some value and will be of use to the University. Furthermore, particular care should be taken to ensure that new and/or unexpected additional costs will not be incurred by the University after receipt of an item to make it operational. This would include costs for repairs or accessories, renovations required for laboratories or buildings in order to properly house the item, and similar expenses. Equipment with no value or potential for use becomes a burden to the University. Because of State mandated procedures and labor costs, acceptance of junk items results in a needless expense to the University.

10. Annual Physical Inventory of Equipment

State statutes require an annual inventory of moveable property and/or equipment be taken by each department. The University's inventory is generally conducted between the months of February and May, inclusive equipment acquired through December 31 of the previous year. The Office of

Property Management will notify each department by letter and furnish necessary equipment lists and procedure guidelines for departmental use. Each department is responsible for conducting its own inventory and must be taken in a thorough and diligent manner with proper time allotted and adequate and knowledgeable personnel assigned. Departments with significant amounts of technical, scientific and/or laboratory equipment should make every effort to assign staff capable of identifying equipment. Use of students is often inappropriate and should be closely monitored. Procedures must be in accordance with the guidelines established in the Instructions for Updating the Departmental Inventory List which are included in each inventory packet issued to departments. Departments are strongly advised to keep a photocopy of each year's inventory for their records and for use as a submittal backup in the event the original is misplaced.

Pursuant to State Property Regulations, all items that departments are unable to locate during an inventory must be carried in a suspense file (discrepancy list) maintained by the Office of Property Management for a minimum period of three years before any action to remove them from the inventory can be initiated, unless authorized otherwise by the Property Manager. Discrepancy lists are subject to detailed audit by the University's Internal Auditors and by the Legislative Auditor's Office.

11. Changes/Updates in University Equipment Records Inventory (ERI)

The Property Manager or authorized staff in the Office of Property Management will execute the approved addition, deletion, transfer, or specific changes in the equipment records of the University. Other updated information, such as location changes and comments, will be made by the department as soon as changes occur. Departments are encouraged to have the property custodian contact Property Management for training on the ERI system.

12. Federal Government and Grant Property Management

University Business Operation Procedures 4-5 available upon request

13. Motor Vehicle Reporting

It should be noted that motor vehicles require specific maintenance schedules and maintenance recording keeping under State Fleet Management Regulations. The MV-4" (maintenance) form is to be submitted every 6 months or 6,000 miles whichever comes first. The MV-3"(daily use log) form is to be submitted monthly. Both forms are to be submitted to the Property management Office. Forms and instructions are available from the Property Management Office or from its website.

Motor Vehicles are considered equipment under BOP 4-2 and must be used according to this policy and State Fleet Management guidelines. Additional policies concerning vehicle can be found in PM-13m University Fraud Regulations (dated 07/01/1998) and PM-21, use of University Vehicles and Trucks (dated 05/29/1973).

If a driver of a State vehicle is involved in an accident or if using a personal vehicle while performing State business, the driver must report the accident to the appropriate supervisor. The "Driver's Accident Report Form" (DA 22041) must be completed within 48 hours. Likewise, drivers will be held personally liable for any parking and/or traffic violation levied against them while they are responsible for the vehicle used in performing State business.

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