

University of Alaska Statewide Property Manual



UNIVERSITY
of ALASKA

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Introduction

Purpose

The purpose of this manual is to set forth the procedures for the control, accounting, and management of university property.

Objective

In order to ensure that university assets and equipment resources are preserved and protected, a perpetual inventory of equipment is maintained. It is the objective of the equipment inventory system to provide management with accurate and up-to-date information for the purpose of managing property and to comply with federal and state requirements. Moreover, in order for the university to obtain a "clean audit opinion" from the external auditors, the property records must be reasonably accurate.

This manual sets forth only MINIMUM REQUIREMENTS and in no way limits the authority of any campus or department in establishing internal controls which exceed these minimum standards.

Authority

These procedures are issued pursuant to AS 36.30.005(c), AS 14.40.491, AS 37.05.160, OMB Circular A-110, OMB Circular A-21, and the Federal Acquisition Regulations. These statutes and regulations require the university to maintain a perpetual inventory of all permanent property; prescribe certain record keeping responsibilities; and place responsibility for supply management with the university chief procurement officer.

The accuracy of all property records shall be verified by an annual physical inventory at the direction of the Statewide Property Office under the supervision of the chief procurement officer.

Availability of Property Manual

The Statewide Property Manual is maintained and available on the following URL:

<http://www.alaska.edu/controller/financial-systems/property/>

This information is to be used by the Campus Property Coordinators and/or the Department Property Custodians.

Definitions

Acquisition

Acquisition is the process of acquiring property by purchase, lease/purchase, lease agreement, donation, loan, fabrication, or transfer from other agencies including federal and state.

Additional Items

Items with property tags that are discovered during a physical inventory but are not recorded in the property module.

Campus Property Coordinator

The person designated by the campus, regardless of actual job title, to perform the duties described under "The Role of the Campus Property Coordinator" in this manual.

Chief Procurement Officer

A person designated by the president of the University of Alaska to perform the duties of the Chief Procurement Officer as described in AS 36.30 and the University's procurement regulations.

Cannibalize

The process of removing all usable parts from a piece of property. This process is a use of the property and not a disposal method.

Consumable Supplies

Supplies which are either consumed by use or lose their identity when used. Items containing salvageable materials are NOT considered consumable.

Controlled Property

All non-expendable equipment owned by or under the control of the university having a unit cost of \$5,000 or more and an expected life of one year or longer. All items will be included in the property module when their acquisition value is \$5,000 or more, regardless of funding source or other means of acquisition.

Departmental Property Custodian

The person designated by a department, regardless of actual job title, to perform the duties described under "The Role of the Departmental Property Custodian" in this manual.

Destroyed Property

Destroyed property is accidentally damaged beyond recognition during normal use and has no salvageable parts.

Disposal

Disposal is the process of returning property to a granting agency, or disposing of property by a sale, scrapping, or trade-in.

Donation

Any gift given to the university that may be defined as controlled property.

Maintenance

Maintenance of property is the process of providing the amount of care necessary to obtain a high quality of production and the most useful life of property.

Non-controlled Property

All personal property owned by or under the control of the university having a unit acquisition value of less than \$5,000 OR an expected life of less than one year. Additionally, it includes the following items which are non-controlled regardless of cost:

1. Consumable and expendable supplies.
2. Replacement parts that do not increase the operating efficiency or capacity for the remaining useful life of the property or do not extend the useful life beyond the original estimated useful life.
3. Mattresses.
4. Wall-to-wall carpeting.
5. Drapes and window coverings.
6. Modular Furniture

Account Code

A four character numeric code identifying a balance sheet account classification or a revenue and expense classification. The object code range 5221 - 5339 represents the controlled property portion of the capital expenditure object codes. The titles and definitions for the property object codes are listed in appendix of this manual

For a complete list of capital object codes, see the Statewide Accounting Manual, (A-2). <http://www.alaska.edu/controller/accounting-manual/>

Physical Inventory

A 100% wall-to-wall process of physically locating and counting all property using a bar code scanner, comparing the information to applicable records in the property module, reporting items not in the property module and adjusting the existing records as required. In case of a difference between the physical inventory and the property module the physical inventory shall be determinative.

Property Module

The property module is a system wide database containing the records for property classified as controlled or sensitive and the official accounting information. This data is reconciled by the Statewide Property function.

Sensitive Property

Sensitive property is non-expendable equipment having an acquisition value of less than \$5,000.00, which is subject to special University title requirements or liability exposures.

Firearms and Vehicles are always considered sensitive and shall be issued a property tag and accounted for on the University property module regardless of acquisition value.

Stolen Property

Property that is missing and there is evidence of a theft.

Surplus

Surplus property is items no longer needed by the university or no longer serviceable.

Transfer

The process of transferring controlled property between units or departments within the University of Alaska system or outside agencies.

Unlocated Property

Property which cannot be located after a diligent search. Equipment reported as unlocated for two consecutive years will be written off the property module.

Roles and Responsibilities of Property Personnel

Role of the Statewide Property Office

The statewide property office is responsible for:

- Providing consistent policies and procedures that are to be applied system wide.
- Providing the computer system needed to satisfy university needs, including developing and maintaining the software and system production job-streams.
- Ensuring that the data, once entered into the system, remain intact and impervious to unauthorized alteration.
- Ensuring that the data entered by units is of reasonably good quality by developing computer edits which the units can use to eliminate certain well-defined errors.
- Ensuring compliance with statewide policies and procedures by using computer edits to screen out data which clearly violate system wide policies and procedures.
- Providing system enhancements to accommodate the changing needs of users subject to available resources.
- Providing assistance to all units to solve specific problems that may arise.
- Providing monthly reports of controlled property expenditures to the units.
- Monitoring new additions against property expenditures for those units whose activity is entered by the Statewide Property Office.
- Monitoring activity by reconciling the property accounting ledgers with the property module totals on a monthly basis and providing units with a copy of the reconciliation.
- Obtaining license plates and titles for vehicles. Notifying Department of Transportation and Division of Motor Vehicles of disposals.
- Acknowledging and replying to requests for information related to screening at the system wide level.
- Ensuring that a copy of the system wide property module is provided on a periodic basis to the property coordinators who do their own screening.
- Requesting annually from the property coordinators, verification of the accuracy of ownership codes for federal property.
- Entering property data for statewide departments and those units that do not enter their own data.

Role of the Campus Property Coordinator

Each campus will designate an employee as property coordinator. The property coordinator shall have overall responsibility on the campus for establishing internal procedures for property management and property control. Typically, the property coordinator's responsibilities include:

- Ensuring adherence to statewide policies and procedures.
- Providing consistent and documented procedures for the unit to handle its property activity.
- Advising departmental property custodians of their responsibilities.
- Entering and reconciling all addition, transfer and disposal information into the system.
- Conducting the annual physical inventory and coordinating departmental physical inventories.
- Coordinate the tagging of new controlled property with identification numbers. (Campuses with a central receiving department may tag the property when it is received.)
- Locate and tag controlled property purchased but not yet tagged.
- Keeping property records current and accurate.
- Providing departments with the current property listing.
- Screening disposal requests to ensure that the title to the property vests with the university.
- Ensuring compliance with federal requirements for property management.
- Verifying the accuracy of the physical inventory by random sampling.
- Conducting or coordinating necessary sale procedures to dispose of surplus property after the chief procurement officer has authorized disposal.

Role of the Departmental Property Custodian

The larger campuses may designate departmental custodians to assist the property coordinator in carrying out his/her responsibilities. When this occurs, the property coordinator will maintain a current and accurate list of property custodians. The delegation of responsibilities from the property coordinator to the property custodian will vary from campus to campus; however, these responsibilities typically include:

- Identifying controlled property transferred between departments and preparing the appropriate form(s).
- Preparing the input form to record the disposal of property including unlocated or stolen property.
- Coordinate annual or more frequent physical inventories of departmental property.
- Communicating all adjustments of property records including changes in physical location to the unit property management office.
- Maintaining authorization records for off campus use of university property.
- Complete the appropriate reporting documents on all excess property and submit to the campus property coordinator.

Property Acquisition

New purchases of controlled property.

The Statewide Property Office receives a monthly report which identifies operating ledger activity for all controlled property object codes. It serves as a control device for ensuring that all of these expenditures are accounted for by making additions to the property module or by the correction of erroneous transactions. The transactions on the report are transferred to an outstanding list, which is attached to the monthly reconciliation being distributed to the campus property coordinators.

Each transaction should be reviewed to determine if the amount should be added to the property module, deducted from the property module, or corrected by journal voucher. If a journal voucher correction is required but cannot be processed due to prior year's funds or terminated funds, a request for write off must be forwarded to the Statewide Property Office.

The net payment added to the property module must equal the amount paid for the item. Payments from the property object code(s) should include the cost of the property plus freight, installation, and set up charges. Maintenance or replacement parts are not included in the net payment.

If controlled property has been purchased from a non-controlled property object code, a journal voucher correction must be prepared debiting the appropriate controlled property object code.

Lease/purchase agreements for controlled property.

All controlled property acquired through an official lease purchase agreement will be added to the property module at the time equipment is received. "UP" shall be entered in the fund/ownership field. The value to be entered as the net payment shall be the amount of the official lease purchase minus interest. Other reporting requirements concerning lease/purchases exist in the Statewide Accounting Manual, procedure #53.

Controlled property leased by the university.

All property obtained by the university on a lease agreement shall be affixed with identification showing the name and address of the lessor.

Donations of controlled property.

Donations of property with a value of \$5,000 or more must be tagged and reported to the campus property coordinator. Donations of property with a value of \$0 to \$4,999.99 are entered in the property module with the appropriate capital value and \$0.00 net payment. Donations of property with a value of \$5,000 or more are recorded by journal voucher. The journal voucher amount is entered in the capitalized value and net payment fields.

Other reporting requirements concerning gifts or donations exist in the Statewide Accounting Manual, procedure #83 and #91.

Controlled property on loan to the university.

Property located on campus used for business purposes that does not belong to the university and is not on a lease agreement will be classified as property on loan to the university. A written agreement between the owner and university must be on file with the department using the property.

All property on loan to the university must be affixed with identification showing the name and address of the owner. At the discretion of the responsible department, property on loan to the university shall be affixed with university property tags and recorded in the property module with a \$0.00 capitalized value and \$0.00 net payment. "PP" shall be entered in the fund/owner field to indicate that the property is not university owned.

University Fabricated Equipment

The university may build its own equipment. The cost which is charged will be picked up as the cost of the equipment on the property records when the property tag is assigned. This cost will consist of labor, staff benefits, materials, services, and travel, if applicable. No mark up or overhead may be included in the cost.

If the equipment is fabricated using federal funds, additional requirements exist in the "Federal Contracts and Property" section of this manual.

Government Furnished Equipment (GFE).

All controlled property furnished by the Federal Government must be tagged and reported to the campus property coordinator. Other requirements regarding federally owned property exist in the "Federal Contracts and Property" section of this manual.

Sensitive Property

Sensitive items are recorded in the property module at a \$0.00 net payment when purchased under a commodities object code. Sensitive property must be added to the property module when classified under mandatory sensitive items. Optional items are only added when specifically requested by the department/unit having custody. Any items add to the property module will require to be physically inventoried on an annual basis.

Federal Contracts and Property

This section prescribes the university procedures for the management of federal property as required by the Federal Acquisition Regulations, OMB Circulars A-110, and A-21. If there is a conflict between the conditions, procedures and stipulations in this manual and specific grants or contracts, the provisions of the individual agreement supersede those contained in this manual.

Prior to requisitioning new property, the existing property inventory must be screened to insure that there is no existing property owned by the university that is appropriate and available for use. See the "Screening" section for instructions.

The grants and contracts office will:

- Check the applicable contract or grant to verify that property (equipment) is included in the budget. If property has not been authorized, approval as required by the applicable agency must be obtained prior to further processing of the requisition.
- Return any requisition without the appropriate property screening certification attached to the requisitioning department or route it to the property coordinator as described in the "Screening" section.
- Provide the campus property coordinator with information regarding grants and contracts which allow the purchase of property (equipment). The information will be segregated into the following categories:
 1. Title vests immediately with the university.
 2. Title vests with the university until completion of the contract.
 3. Title transfers from the government to the university upon completion of the project.
 4. Title remains with the federal government.
- Obtain from the property coordinator for each closed grant or contract, a listing of property acquired under that grant or contract for inclusion in the contract file. (Ref. FAR 45.508-1)
- Include in the contract file, the ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where the university compensates the federal sponsoring agency for its share.
- Submit annually an inventory listing of federally owned property to the federal sponsoring agency. (Ref. OMB Circular A-110 N.4) Also, as specified and required by contractual obligation, final reports of property, including requests for disposition, shall be reported in a timely fashion to the contracting officer or designated administrative property officer.
- Ensure that agency specific screening occurs.

Property records shall be maintained accurately and shall include: (Ref. OMB Circular A-110 N.6.d. (1) & FAR 45.505-1)

- A description of the property.
- Manufacturer's serial number, model number, or other identification number.
- Source of the property, including grant or other agreement number.
- Whether title vests in the university or the federal government.
- Acquisition date (or date received, if the property was furnished by the federal government) and cost.
- Location, use, and condition of the property and the date the information was reported.

Federally owned property:

- Property owned by the federal government must be marked to indicate Federal ownership. [Ref. OMB Circular A-110 N.6.d(2)] The property coordinator or his/her designee shall affix both University of Alaska property tags and U.S. Government property tags to federally owned property when it is received. U.S. Government property tags are available from the statewide property office. If title transfers from the federal government to the university at the completion of the grant or contract, the property coordinator or his/her designee shall remove the U.S. Government property tag and update the property records to show university ownership.
- Particular care must be exercised to prevent loss, damage, or theft of property. The departmental property custodian shall investigate and fully document any loss, damage, or theft of nonexpendable property. If the property was owned by the federal government, the campus property coordinator shall promptly notify the federal sponsoring agency and the property administrator at the federal cognizant agency. [Ref. FAR 45.504(b) & OMB Circular A-110 N.6.d.(4)]
- The grants and contracts office shall report the total acquisition cost of federally owned property for which the university is accountable under each contract with each agency, including federally owned property in the possession of subcontractors to the cognizant federal agency as required by the cognizant federal agency. (Ref. FAR 45.505-14)
- Federal property may under no circumstance be used for purposes not specifically authorized by the sponsoring agency. (Ref: FAR 45.509-2 (a)) Each campus having federal property shall develop a clear approval procedure for the alternate use of that property. The process shall be communicated to all departments involved with federal property. The Vice Chancellor of Administration or designee for each campus will be responsible to assure that these requirements are met.

- All property obtained from federal sources of excess equipment and government furnished equipment (GFE) must be promptly added to the property module.
- Other agency specific and contract specific requirements regarding federally owned property exist in appendix D of this manual.

The campus property coordinator or his/her designee shall, in connection with the physical inventory, verify the existence, current utilization, and continued need for the property. [Ref. OMB Circular A-110 N.6.d(3)]

- As required by FAR (Ref. 45.509-1) the proper maintenance of Government equipment will be analyzed during the physical inventory process. This will include reviewing records of maintenance and operation, records of use, overhaul, or major maintenance records and disclosure of any defects as prescribed by the FAR clause referenced.
- For government equipment no longer being utilized, the accountable department shall provide a secure method of storage (FAR 45.612). This storage shall be maintained until disposition instructions from the agency provide directions for disposal or reutilization. The physical inventory process should be used to assist in identifying the storage need and utilization of government equipment.

Disposal of federal property is subject to the provisions of OMB Circular A-110, FAR Subpart 45.6, and to the approval and conditions of the sponsoring agency. Written approval from the federal sponsoring agency must be obtained prior to requesting authorization for disposal from the chief procurement officer and documentation of the approval must be attached to the Property Disposal Authorization.

Sub-contractor Control of Property (Ref. A-110 5 & F.3)

- Each agreement entered into by the university with a sub-contractor shall contain specific provisions with respect to the sub-contractor's responsibility for the care, custody, and use of the property in accordance with the terms and conditions of the prime contract with the federal government. (FAR 45.502(d) & FAR 45.510)
- The sub-contractor shall assume the responsibility and obligations of the university including risk of loss with respect to the property while under the sub-contractor's control. All actions of the sub-contractor are subject to the terms of the prime contract related to the care, utilization, storage, movement, and disposition of the property. [FAR 45.103(e)]
- The property and pertinent records of the sub-contractor are to be available at all times for inspection by the university and federal government.
- The inventory procedures of the sub-contractor are to be reviewed by the university and designed to meet the requirements of the university and the federal government.

Screening

External equipment screening as required by any funding agency shall be performed prior to acquisition and in accordance with the agency requirements. Departments shall be responsible for the screening procedure with the external funding agencies and completed approved screening documents will become a part of the award file. Copies of approved screening should also be provided to the Purchasing department as part of the initial Purchase Requisition.

The requisitioning department prior to acquisition will make a reasonable effort to ascertain whether like and acceptable surplus equipment is available with in the University system.

OMB A-110 requires avoiding unnecessary purchases. This effort should include:

- Review departmental surplus for excess equipment that would be suitable for use.

- Review campus/MAU surplus for excess equipment that would be suitable for use.

- Review system wide surplus for excess equipment that would be suitable for use.

The review process should include contacting key personnel (Property Custodians) at each of the levels to determine availability of surplus equipment the unit may have in its control and is similar or functionally equivalent to the equipment being considered for acquisition.

Receiving and Tagging of Property

Each functional unit, which receives accountable fixed assets shipped directly to that unit without the benefit of the MAU receiving department, shall be responsible to properly receive and account for these acquisitions. Your individual process shall ensure the proper and timely recording and identification upon receipt of the asset. Identification shall be provided as stated below. Recording shall include a log with all pertinent information and as a minimum include the following data: assigned tag number, serial number, responsible department, and accountable individual within that department, and a brief description. In addition, copies of purchase orders, packing lists, and shipping documents shall be maintained.

The receiving department shall be responsible for the inspection and acceptance of the shipment. This responsibility includes inspecting for damage and reconciling the freight documents with the actual shipment. It is imperative any damage or discrepancy of quantity is clearly noted on the shipper's copy of the shipping documents.

The documents collected and generated by the responsible individual for receiving shall be distributed to the MAU property officer, department property custodian, and accounts payable for continued processing.

Bar code identification tags are to be applied to all controlled property to facilitate the physical control and identification necessary for fulfillment of custodial responsibilities. The property tags are pressure sensitive decals which are issued to campuses by the statewide property office.

The following are the three types of tags which are being utilized:

- **Decal without number:**

This tag is black and contains the wording Property belongs to: University of Alaska. The black tag is used on non-controlled property in order to identify the property as belonging to the university. Non-controlled property with black tags affixed is not recorded in the property module. A black tag should be affixed to all non-controlled items that appear valuable enough to be controlled. The presence of the black tag will facilitate a faster and more orderly physical inventory by eliminating questions as to whether the property should be listed on the controlled property module.

- **Decal with number:**

Coated paper tag containing the wording "University of Alaska" and a property control number written numerically and as a bar code symbol. These bar code tags will be used to identify all controlled property.

All controlled property must be identified with a number. When it is not practical to use the decal, a decal number will be applied by use of stencil with point, etching needle, steel disc, paint or other practical method. When marking is done by any means other than decal, the decal from which the number was taken must be destroyed. This will prevent the duplication of any control number through application of the decal to another item.

- **Decal with U. S. Government notation:**

This tag contains the wording "Property of U.S. Government". Pertinent information regarding the use of these decals is included under "Federal Contracts and Property" in this manual.

Numeric tags are issued to the campuses by the statewide property office. A log of tag numbers is maintained by the statewide property office, showing the numeric series of tags assigned to various campuses. It is strongly encouraged for each campus property office to maintain a detailed log showing the assignment of each tag issued.

The responsibility for tagging property will be assigned by the individual campus. Where appropriate, the tagging maybe the responsibility of central receiving; or it may be the responsibility of the property coordinator or the property custodian. Regardless of who has the responsibility, all controlled property must be tagged immediately upon receipt and acceptance. **Departments receiving equipment directly at their office or arranging other special delivery requirements need to contact their property coordinator to get a property tag applied.**

In determining where to place the property tag, no hard and fast rules are set forth, as much depends on the item being tagged and the type of marking used. It is important to have the tag on the front of the item where it can be easily seen or easily read with a scanner. For example, the following list indicates where property should be tagged:

- **Cabinets, All:** The decal will be placed in the upper right corner of the front frame.
- **Copiers:** The decal will be placed on the front of the machine, inside the door near the serial number.
- **Handguns:** With cylinder open or out, scribe or etch number on bottom flat surface of cylinder frame.
- **All Other Guns:** Scribe or etch number on metal surface as near serial number as possible.
- **Computers:** The decal will be placed on the front of the machine.

The intent is that the location of the decal be as uniform as possible and not present difficulty in locating and reading the numbers, regardless of how or where the item may be located for future use.

If an item of controlled property consists of two or more units that cannot be used separately or cannot be interchanged with similar type of equipment, then the property tag should be placed on the main unit. All other components should be tagged with a black tag, and marked with the number issued to the main unit.

If an item of controlled property consists of two or more units that can be interchanged with similar type equipment, then each unit should be tagged separately.

Tagging Artwork

All art work purchased under object code 5225 must be tagged with a bar code decal or numbered using an alternative method. Great care must be taken to ensure the art work is not defaced by affixing a property tag or by any other method of numbering. The method of numbering art work shall be determined by an art expert or local museum curator.

The department responsible for the art work shall keep on file a photograph of each piece of artwork for positive identification.

Physical Inventory

The current property records are a result of previous physical inventories and have been increased for subsequent purchases and reduced by all disposals. Both the federal and state governments require the university to verify the accuracy of the property records by actual inspection of the property.

The validity of your physical inventory is susceptible annually to being audited by federal auditors. The federal auditors have this right because the property records are used by the university as a basis for recovering use allowance from the governmental agencies as a part of indirect costs. (Ref. OMB Circular A-21 J.12) The auditors will look upon the validity of your physical inventory together with other sampled inventories as representative of the entire university system. If errors are found, the university may lose considerable overhead recovery.

Physical inventory information is gathered using a bar code scanner. Instructions for the use of the bar code scanners can be found on URL:

<http://www.alaska.edu/controller/financial-systems/property/>

To properly perform the physical inventory, each area must be searched systematically. All controlled property in possession must be inventoried regardless of departmental ownership. In other words, **report what you have, not just what you think is on your departmental property listing!** The inventory program updates the location and usage information on the property records without changing department ownership.

It is a federal requirement that the "use" status of all property be identified during the physical inventory as set forth in FAR 45.5. Identification of the use status is part of the bar code scanner program.

The physical inventory must be completed annually by the end of April. The scanner program runs daily.

The physical inventory will be considered complete when all scanner data have been uploaded, all additional items have been resolved, and all unlocated property has been properly documented.

Unlocated items that have not been found for two consecutive physical inventories will be written off the property records. The deletion of the unlocated items is part of the property year-end processing.

Each Campus Property Coordinator must certify that the entire campus inventory is completed, in order to be considered final. Form must be signed and forwarded to the SW Financial Service – property function.

Property Transfers

This section describes the transfer procedures for the university owned property. **See "Federal Contracts and Property" for additional requirements for federally owned property.** See "Vehicle Acquisition and Disposal" for additional instructions for vehicles with a title and license plates.

Two types of transfers:

1. Transfer between units changes the responsibility for an item from one unit to another. The property module and property accounting ledgers are updated to reflect this information. There are two types of transfers between units.
 - Transferring existing property listed in the property module from one unit to another. The organizational code is updated in the property module to that of the new responsible department.
 - The purchase and payment of controlled property by a unit for use by another unit where the using unit will be responsible for the property. For example, a statewide department may purchase property for use by another MAU. The organizational code entered in the property module will be that of the responsible unit and department.
2. Transfers between departments and institutes affect the organizational code number listed in the property module. The organizational code will be updated to reflect the new responsible department.

* The organizational code is used in the property module as means of identifying the responsible department. Making a change to the organizational code in the property module does not have any affect on the funding source of the property.

Reporting transfers of existing property:

All transfers of existing property must be reported to the local property coordinator. The department transferring the property will complete the "transfer from" portion of the "Property Transfer Report" prior to the transfer. The department receiving the property will complete the "transfer to" portion of the "Property Transfer Report" when the transfer occurs. The transferor is responsible for the property until this report has been completed, with the appropriate signatures and submitted to their local property coordinator.

Purchase of existing equipment between university departments:

When one department pays another department for the transfer of controlled property, the payment should be accounted for on Banner by a journal voucher. The appropriate equipment object code should be debited to an interdepartmental or inter campus revenue object code (9904 or 9934) credited. The sale price listed on the journal voucher must be \$5,000 or greater per item to be charged to a controlled property object code. MAU's may elect to apply other procedures regarding the revenue if the sale price is less than \$5,000. A copy of the journal voucher should be attached to the Property Transfer Report.

When a property transfer does not involve a payment from one unit or department to another, a journal voucher is unnecessary.

Accounting for transfers:

The original cost in the property module will be transferred to the department acquiring the property. For transfers between units, the original cost will also be transferred on the property accounting ledgers. Any amount charged by journal voucher to a controlled property object code will be entered as an adjustment to the property accounting ledgers.

Property Disposal

This section describes the disposal procedures for university owned property. **See "Federal Contracts and Property" for additional requirements for federally owned property.** See "Vehicle Acquisition and Disposal" for additional instructions for vehicles which require title and licensing.

All disposals must be done in a manner which is determined to be most advantageous to the University and in compliance with University regulations and the state procurement code AS 36.30.

University departments may not sell or otherwise dispose of property or supplies owned by the university without prior written authorization of the Chief Procurement Officer or authorized designee. The purpose of the written authorization is to ensure that the disposal procedure utilized is appropriate and in compliance with university regulations and the state procurement code.

It is recommended that University departments make the property available to other University departments.

Consumable supplies which have been consumed during the normal course of business are exempt from the disposal authorization procedures in this manual.

Surplus property and supplies must be authorized for disposal by the Chief Procurement Officer or authorized designee.

A "Property Disposal Authorization" must be completed for all controlled property and supplies with an estimated net salvage value of \$100 or more, to be disposed of and submitted to the campus property coordinator for that main administrative unit. The MAU Property Office will review the form prior to submission to the chief procurement officer or authorized designee for approval.

Items in non operational condition, **having an estimated value for either parts or materials that is less than the estimated cost of disposal** may be scrapped. All scrapped items must be destroyed or defaced before being placed in a trash bin or hauled to a land fill, and witnessed by at least one other university employee. The "Property Destruction Authorization & Certificate" form must be completed and submitted by the campus property coordinator to the MAU property office.

An employee of the using or disposing department may not directly or indirectly purchase or agree with another person to purchase surplus property if the employee is, or has been, directly or indirectly involved in the purchase, disposal, maintenance, or preparation for sale of the surplus property. (Ref. R05.06.600(8))

Advertisements - All sealed bid sales and public auctions must be advertised to the public prior to the sale. The advertisement must include:

1. The date and time for inspecting property to be sold.
2. Description of the items for sale.
3. A statement that the items will be sold "as is," and "where is" and that the university makes no warranties or representations either express or implied regarding the quality, condition, or suitability for any specific purpose of any item.
4. A statement that the University has the right to withdraw items at any time prior to sale.
5. If a minimum bid is wanted on specific items, the notice or advertisement should indicate the minimum bid requested on the specific item for sale.
6. Revenue from the sale will be recorded by journal voucher according to the instructions in the Statewide Accounting Manual procedure #93. Expenses of the sale such as advertising may be netted against the sale proceeds.

In remote areas with no newspapers, announcements may be posted in popular gathering places such as a general store, post office, school, airport, or café.

Sale Methods - Surplus property should be offered through competitive sealed bids, public auction, established markets or posted prices. However, some types or classes of items can be sold or disposed of more readily and advantageously by other means, including barter. In such cases, and also where the nature of the property or some unusual circumstances indicate that the sale should be restricted or otherwise limited, the chief procurement officer or authorized designee may employ other means, provided the property officer makes a written determination that the procedure is in the best interest of the university.

- **Sealed Bid** - When making sales by competitive sealed bidding, notice of the sale must be given at least 10 days before the date set for opening bids. Notice must be given by mailing a request for sale bids to prospective bidders and by making the request for sale bids publicly available. Newspaper advertisement may also be used. The request for sale bids must list the property offered for sale; designate their location and how they may be inspected; and state the terms and conditions of sale and instructions to bidders including the place, date, and time set for bid opening. Bids must be opened publicly.

Award must be made in accordance with the provisions of the request for sale bids to the highest responsive and responsible bidder, if the price offered by the bidder is reasonable, as determined by the chief procurement officer or authorized designee. If the approving officer determines that the price offered is not reasonable, the approving officer may reject the bids in whole or in part.

- **Auction** - An experienced auctioneer should be used to cry the sale and assist in preparation of the sale. The solicitation to bidders should stipulate, at a minimum, all the terms and conditions of the sale; that a deposit may be required in order to participate in the bidding; that the purchaser must remove within a stated time all surplus property purchased; and that the university retains the right to reject any and all bids.
- **Established Markets** - Places where property such as livestock and produce are regularly sold in wholesale lots and prices are set by open competition. Surplus property may be sold in established markets where appropriate.
- **Sale at Posted Prices** - Surplus property may be sold at posted prices when the prices are based on fair market value and notice of the sale has been advertised to the public.
- **Other Methods** - Alternative disposal procedures may be used when the above described methods are not practicable or feasible, if the alternative procedure is documented and the Chief Procurement Officer or authorized designee determines in writing that such alternative procedure is in the best interest of the University.

Transfer to Governmental Agencies - Surplus property or supplies may be transferred to another governmental agency, department, or unit without prior advertising for intra-university transfer or external sale, if the Chief Procurement Officer or authorized designee determines in writing that such a transfer is in the best interest of the University.

Donations to Non-Profit Organizations - Subject to the approval of the Chief Procurement Officer, surplus property or supplies may be donated to a non-profit organization, if the regional campus property officer determines in writing that all routine procedures for sale of the subject items have been exhausted or application of the routine procedures will not be cost effective, and that the donation of the items to the specific non-profit organization is in the best interest of the University.

Property Trade-Ins - Equipment items may be offered for trade-in on the purchase of like property without prior advertising for intra-university transfer or external sale, if the Chief Procurement Officer or authorized designee determines in writing that such a trade-in is in the best interest of the University. The acquisition cost of the new property should be increased by the amount received for the property traded in.

Removal of University Property Tags and Identification - All property tags and identification must be removed from the equipment being disposed of, at the time it's removed from the university premises. Property tags must be returned to the campus property coordinator.

Deletion of Property Records for Disposal - Property records will be deleted from the property module only AFTER the property has been removed from university premises. Notification of the final disposal must be sent along with the property tags to the campus property coordinator.

Reporting Stolen or Unlocated Property

Each departmental property custodian is responsible for reporting to the campus property coordinator the loss or theft of any item in his/her control as soon as the situation becomes known. Additional reporting requirements for federally owned property exist in the "Federal Contracts and Property" section of this manual. Additional reporting requirements for stolen property exist in the Risk Management Regulations 05.09.00.

While the detailed format and procedure for reporting to the property coordinator are determined by the campus procedures, the report must include the property tag number(s) (if applicable), description of the item(s), and the type of incident, as well as the location, date and circumstances of the incident.

- A. Stolen property must be reported to law enforcement authorities. A "Report of Stolen or Unlocated Property" must be submitted to the local property office with copies of the police report/face sheet. The stolen item will be marked as stolen on the property record. If it is recovered, it must be transferred in the property module to the account of the department responsible for the item. If it has not been recovered after a period of two years, it will be deleted from the property module. A record of all stolen property deletions will be maintained by the statewide property office.

- B. Unlocated property will remain in the property module for two years. A continuous search must be conducted for this property until all avenues are exhausted. A "Report of Stolen or Unlocated Property" must be submitted to the local property office and must include the action taken to recover the property. This property should be reported to law enforcement authorities as "missing and possibly stolen". After two years of unlocated status the equipment is deleted from the property module as unlocated and reported to Statewide Risk Management, to be included in the risk management assessment. If the item is located after it was deleted as unlocated, it must be created in the property module to the account of the department responsible for the item. The dollar value of the equipment created will be credited to the unit and reported an unlocated recovery in the risk management assessment. A record of all deletions of unlocated property will be maintained by the statewide property office.

Off Campus Use of University Property

Employees removing property from campus must obtain written approval from the person for whom they are working or a higher level as may be prescribed by their chancellor or vice president. Copies of such written authorization are to be retained for property accounting purposes in the office of the person authorizing the property to be removed as well as the office where the item would normally be kept. The written authorization for off campus use of property shall include a complete description of the property, the property tag number, the location of the property while it is off campus, justification for that use, and will cite a date when the item is to be returned to the campus. That date will not be longer than the time required to complete the university project but in no circumstance longer than one year. The "Authorization for Off Campus Use of University Property" form must be filled and reviewed annually.

Personal Use of University Property

Personal use of university property is prohibited. (University Regulations 04.10.05.B.6)

Vehicle Acquisition & Disposal

Vehicle Acquisition

Upon the acquisition of a vehicle, the following documents and information must be sent by the campus property coordinator to the Statewide Property Office in order to obtain U of A identification (E#), State of Alaska official use license plates, and title.

All university vehicles with official use license plates must have a visible university decal or campus insignia for identification purposes as required by AS44.68.020(3).

New vehicles

- The original certificate of origin properly signed by the dealer.
- Copy of the purchase order.
- Copy of the invoice.
- Copy of vehicle specifications, such as the window sticker showing vehicle options, or bid document specifications.
- Odometer reading.

Used vehicles

- Original title properly released by the previous owner.
- Copy of the purchase order.
- Odometer reading.
- I/M certificate (Fairbanks and Anchorage only)

Vehicles obtained from the federal government (not on loan)

- Original form 97.
- Copy of the purchase order.
- Vehicle inspection certification (form is available from the statewide property office) completed by a law enforcement officer.
- Odometer reading.
- I/M certificate (Fairbanks and Anchorage only)

Vehicles obtained directly from the State of Alaska

- Copy of the purchase order.
- Yellow copy of the "Assignment of Equipment".
- Odometer reading.

Donated vehicles

- Original title properly released by the previous owner.
- Copy of appraisal letter showing value of vehicle.
- Odometer reading.
- I/M certificate if vehicle will be registered to operate on the highway.
(Fairbanks and Anchorage only)

Federal vehicles on loan to the university

- Original form 97.
- Vehicle inspection certification (form is available from the statewide property office) completed by a law enforcement officer.
- Odometer reading.
- I/M certificate (Fairbanks and Anchorage only)

University built (home built) trailers

- Affidavit of Home built Trailer (form available from the Statewide Property Office).
- Vehicle inspection certification (form available from the statewide property office) completed by a law enforcement officer, or a DMV official if vehicle is over 1000 pounds.

Trade-out Vehicles on loan to the university

- Copy of trade agreement between UA department and dealer.
- Copy of registration showing vehicle VIN #.

Vehicle License Plates

AS 28.10.171 requires that all vehicles display front and back license plates with the exception of trailers, which require one plate on the back.

To obtain replacement license plates, submit a written request to the Statewide Property Office. Include the vehicle E#, the license plate number, and the departmental account number. DOT charges the university for replacement license plates. The fee will be charged to the requesting department.

Vehicle Property Number

Vehicles utilize a separate property numbering system in the property module called "E" numbers. The "E" number is assigned by the statewide property office. The "E" number should be visible on the vehicle and the keys should be engraved with the "E" number.

Vehicle records in the property module

All data entry for vehicles is performed by the Statewide Property Office. The "E" number is entered in the property module as the tag number. It will be preceded by an "E" and the sufficient number of zeros to right adjusts the actual number. Vehicles will be removed from the property module by the Statewide Property Office after the title has been released.

Vehicle transfers

The campus property coordinators must notify the statewide property office if a vehicle transfers from one department or unit to another. The statewide property office will notify DOT of any location changes.

Vehicle Disposal

Vehicle disposals are subject to the same requirements as other property as listed under the "Property Disposal" section of this manual. Listed below are additional requirements for all vehicle disposals.

- Prior to planning the disposal of a vehicle, contact the Statewide Property Office to ensure that the university has title to the vehicle.
- When completing the "Property Disposal Authorization" provide a complete description of the vehicle including E#, make, model, serial number, odometer reading, and license plate. All information shall be obtained by a physical inspection of the vehicle.
- Remove the official license plates. Statewide Property shall notify DOT of the disposal of vehicles utilizing official use license plates. Official use license plates are not transferable to any other vehicle.
- After disposal of the vehicle, complete the "Vehicle Sale / Disposal Report" and send the completed report with the official use license plates to the Statewide Property Office.
- **Titles will not be released until AFTER the disposal process is complete AND the official use license plates have been returned to the Statewide Property Office.**
- Buyers should be made aware that the University has 10 days to issue a title from the date of sale. Titles for vehicles will be sent to the buyer by return receipt mail, or may be picked up by the buyer from the Statewide Property Office.
- The assignment of interest section of the title will be sent to DMV by the Statewide Property Office.

Property Reconciliation

The purpose of the property reconciliation is to ensure that all property activity has been accounted for. Each reconciliation starts with the beginning balance at July 1, 19XX, adjusts for current year activity (additions, deletions, and transfers), and concludes with what the property module total should be. This total is compared with the actual property module total and the difference represents transactions for controlled property which have not been added to the property module or erroneous entries on the transaction retrieval report.

Reconciliations are prepared for each unit by Statewide Property on a monthly basis and are forwarded to the campus property coordinators. The campus property coordinators will take the reconciliation and work to cleanup all the outstanding items. All outstanding must be cleared by the fiscal year end.

BANNER Coding

Title to Status (FFVTTST)

AA	Agency Funded/Agency Owned
AU	Agency Funded/University Owned
CU	Capital Funds/University Owned
DU	Donations(not Foundation)/University Owned
FA	Federally Funded/Title vests with UA upon acquisitions with restrictions
FC	Federally Funded/Title vests with UA upon completion of project with restrictions
FF	Federally Funded/Federally Owned
FR	Federally Funded/Title vest with UA with restrictions
FT	Federal Reporting Threshold Change
FU	Federally Funded/University Owned
GF	Government Furnished/Federally Owned
GG	Government Furnished/Federally Owned, no funds expended
GU	Government Furnished/University Owned
HU	Foundation Funded/University Owned
LL	Locally Funded/Locally Owned
LU	Locally Funded/University Owned
MU	Matching/Cost Sharing on Federal Project/University Owned
NO	Equipment Purchase Prohibited
PP	Privately Funded/Privately Owned
PU	Privately Funded/University Owned.
SS	State Funded/State Owned
SU	State/Funded/University Owned
UL	Government Furnished/Locally Owned Lease
UP	University Lease Purchase Agreement
UU	University Funded/University Owned

Asset Condition (FFVACON)

NW	NEW
GC	Good Condition
FC	Fair Condition
PC	Poor Condition
OS	Out of Service
SC	Scrap Material

Acquisition Methods (FFVACQM)

PO	University Purchased
LP	Lease Purchase
DN	Donation
IV	Inventory Addition
TR	Transfer from outside agency
EF	Equipment furnished by the government
GF	Gift and Donation
LN	Equipment obtained on loan
RU	Recovery of unlocated equipment
FB	Fabricated equipment
TA	Athletics sponsorship trade agreement
LE	Leased equipment

Asset Type (FTVASTY)

AT	Artwork
BC	Broadcasting equipment
CE	Computer equipment
EC	Educational equipment
FF	Furniture and furnishing
FM	Farm equipment
LT	Sensitive – less than \$5,000.00
LV	Livestock for research
MD	Medical, safety, fire equipment
MF	Mainframe computer equipment
OE	Office equipment
PP	Physical plant machine & tools
RE	Research equipment
SE	Security weapons
TE	Telecommunications equipment
VE	Transportation equipment

Disposal Methods (FFVDISP)

DD	Destroyed at dump/landfill
DE	Delete less than capitalized level
DN	Donated to non-profit organization
DP	Duplicated record created
ER	Record created in error
FE	Fixed equipment reclass
RA	Returned to funding agency
RT	Returned to vendor for credit
SC	Sold Competitive sale
SP	Scrapped for parts
ST	Stolen- police report filed
TR	Traded in equipment for credit
UD	Unauthorized disposal
UL	Unlocated equipment
WR	Warranty Return for parts

User Status Indicators:

F	FT Threshold Delete Deletes made after the mass threshold change, generally items that had restricted title status
I	In use This code is assigned to all equipment items which are actively in use at the time of record
N	Not found/Unlocated This code is assigned when the equipment can't be located by the responsible department. The department must complete an unlocated report to record the steps taken to find the equipment. Any equipment not located for two years will be deleted from the system as unlocated.
P	Pending disposal/reutilization This coded is assigned to equipment which is no longer needed or is not used by the responsible department. This category is classified as not in use, available for reutilization.
S	Surplus/Approved for disposal When an equipment item is no longer in use and has no immediate use by the University a request for disposal is completed by the campus property coordinator. Upon approval of disposal from the Chief Procurement Office, this code is assigned to show all required steps have been followed so requested disposal method can be completed by the requesting unit.
T	Threshold Change This code was used to identify the mass threshold change
X	Disposed Used on records for items that are disposed of using disposal procedures and will no longer be accounted for in the University property module

Unit Identification

CC	Chukchi Campus
GI	Geophysical Institute
KE	Ketchikan Campus
KO	Kodiak Campus
KP	Kenai Peninsula College
KU	Kuskokwim Campus
MS	Matanuska-Susitna Campus
NW	Northwest Campus
PW	Prince William Sound Community College
SC	Sitka Campus
SW	University of Alaska Statewide
SONS	University of Alaska Statewide- ITS area
UAA	University of Alaska Anchorage
UAF	University of Alaska Fairbanks
UAS	University of Alaska Southeast

Property Object Codes

The following object codes represent controlled property. A complete list of object codes, titles, and definitions are listed in the Statewide Accounting Manual, Appendix A.

Capital Expenditures - Equipment items have a value of \$5,000 or more and an expected life of generally one year or longer. Equipment is defined as tangible nonexpendable personal property. Equipment costs include the related freight, postage, and installation charges.

- 5221 **Furniture & Furnishings** - Expenditures for furniture, fixtures, appliances, and artworks that are not permanently attached purchased for buildings, offices, classrooms and university owned residences.
- 5225 **Art - tagged** - Expenditures for art (or fair market value of donated art) that is not permanently attached to a building or structure, nor extremely large, bulky or heavy as to be considered immovable. Does not include museum acquisitions.
- 5229 **Medical, Safety and Fire Equipment** - Expenditures for specialized equipment used for medical, fire and safety purposes.
- 5310 **Livestock** - Expenditures for livestock used at the agricultural experimental stations.
- 5327 **Capitalizable Data Sets & Software** - This account is to be used for any or all of the following purposes: (1) electronic media, such as research data sets, with a cost greater than \$100,000, (2) software with a unit value cost of \$100,000 or more and a useful life of more than one year, and (3) internally developed software with a cost of \$500,000 or more and useful life greater than 10 years.
- 5328 **Computer Equipment** - Expenditures for PC and Macintosh computers used in educational, research, and office environments. Includes local area networks (LAN), printers, monitors, and other peripherals. Does not include mainframe computers.
- 5329 **Mainframe Computers** - Expenditures for mainframe computers and related peripheral equipment. Includes the University of Alaska Computer Network Services. Excludes microcomputers, local area networks (LANS), and related peripheral equipment.
- 5330 **Telecommunication Equipment** - Expenditures for telephone equipment including switches, modules, cards, cabinets or other devices that may be connected to the telephone system.
- 5331 **Educational Equipment** - Expenditures for apparatus, gear, and machinery for use in the classroom or instructional laboratory environment (use object code 5328 for microcomputers).

- 5332 **Research Equipment** - Expenditures for specialized laboratory and scientific apparatus, instruments or machinery for research purposes (use object code 5328 for microcomputers).
- 5333 **Security Weapons** - Expenditures for pistols, rifles, and shotguns required for security purposes.
- 5334 **Transportation Equipment** - Expenditures for motor vehicles and parts for vehicles which should be separately capitalized.
- 5335 **Physical Plant Machines & Tools** - Expenditures for maintenance and custodial equipment.
- 5336 **Office Equipment** - Expenditures for equipment which will be used in an office or administrative environment. (use object code 5328 for microcomputers)
- 5337 **Farm Equipment** - Expenditures for farm equipment such as rakes, combines, spreaders, plows, small tractors and attachments.
- 5339 **Broadcasting Equipment for TV or Radio** - Expenditures for equipment used specifically for the purpose of broadcasting.

Summary of Reporting Requirements Relating to the Performance of Periodic Inventories

(As provided by the Office of Naval Research, December 2001)

Procurement regulations require that a contractor perform a periodic inventory and provide information to the Agency or Government Property Administrator. A summary of these requirements is as follows:

CITATION	SUMMARY OF REQUIREMENTS
FAR 45.508-2, Reporting results of inventories	Submit to the cognizant property administrator, after completion of physical inventory, a listing that identifies discrepancies and a signed statement concerning inventory completion.
NASA FAR SUPP 1845.508 Physical Inventories	A reconciliation of NASA property shall be submitted within 30 days after inventory completion. A report of physical inventory must be completed at least once each two years, and submitted in conjunction with appropriate NASA Form 1018.
DOE FAR SUPP 945.505-14, Reports of Government Property	The report of physical inventory shall be submitted as a minimum with the fourth semiannual report. . . .

Grant regulations also require that periodic inventories be performed; certain specific reporting requirements exist concerning federally owned property which may be accountable under grants.

CITATION	SUMMARY OF REQUIREMENTS
NASA Grant & Cooperative Agreement Provisions 1260.27(B)	Grantees will submit to grants officer an annual inventory of government owned property in their custody. Report is due by 31 October for data as of 30 September.
DOE Financial Assistance Rules, Section 600.117(d), Property Management	Grantee will submit annual inventory of any federally owned property provided under a grant. For federally owned equipment acquired with grant funds, grantee will provide notification of the result of inventories.

Summary of Agency Periodic Financial Reporting Requirements

AGENCY, CITATION, FORM, & DUE DATE(s)	DESCRIPTION
<p>Department of Defense DoD FAR Supp 45.505-14 DD Form 1662 Due by 31 October each year for data as of 30 September</p>	<p>A summary report for each contract for which the contractor has government owned DoD property. Report provides dollar values of various categories of property, and provides values of additions/deletions. If a contract with accountable property is closed prior to September 30, it shall be reported when the balance becomes zero. Provide report to cognizant government property administrator.</p>
<p>National Aeronautics & Space Administration NASA FAR Supp 18-52.245-73 NASA Form 1018 Due by 31 October each year for data as of 30 September</p>	<p>A summary report for each contract which contains NASA clause 18-52.245-73, Financial Reporting of Government Owned/Contractor Held Property. Report provides dollar values of various categories of NASA owned property. Provide report to cognizant government property administrator. Negative reports are required.</p>
<p>Department of Energy DOE FAR Supp 945.505-14 DOE Form 4300.3 Due by 14 April & 15 October each year for data as of 28 February and 31 August</p>	<p>A summary report for each contract for which the contractor has DOE owned property. Report shows cost of equipment, real property, and material by various categories and reflects acquisitions and deletions. Provide report to cognizant government property administrator.</p>

Federal Agency Screening Requirements (Applies to Contracts Only)

If the source of funds is Department of Defense (Navy, Air Force, Army, Marine, DLA, DNA) contract, the following screening requirements apply:

- for industrial plant equipment with an acquisition cost exceeding \$15,000, the proposed item must be screened by submitting a DD Form 1419 to the cognizant agency for endorsement and transmittal to Defense Industrial Plant Equipment Center. Acquisition is not authorized until a Certificate of Non-Availability is provided. Industrial Plant Equipment is defined as equipment used for any of the following purposes: cutting, abrading, grinding, shaping, forming, joining, testing, measuring, heating, treating, or otherwise altering the physical, electrical or chemical properties of materials, components, or end items entailed in manufacturing, maintenance, supply, processing, assembly, or research and development operations
- for automatic data processing equipment which exceeds \$25,000 acquisition cost, the proposed item must be screened by submitting a DD Form 1851 to the cognizant agency for endorsement and transmittal to Defense Logistics Agency, Defense Automation Resources Information Center as per DFARS 245.302-1. Acquisition is not authorized until a Certificate of Non-Availability is provided.

If the source of funds is National Aeronautics and Space Administration (NASA) contract, the following screening requirements apply:

for any item of equipment the proposed acquisition must be screened utilizing a DD Form 1419 to the cognizant administering agency for endorsement and transmittal to the NASA contracting officer. Acquisition is not authorized until NASA approval is received. Items are defined as plant equipment, special test equipment (including components), special tooling and non-flight space property which is commercially available, identifiable by a manufacturer and model number, and valued at \$1000 or more. Full requirements are outlined in NASA Supplement to the Federal Acquisitions Regulations, Subpart 18-45.5, Management of Government Property in the Possession of Contractors.

for items defined as automatic data processing equipment the proposed acquisition must be screened through the cognizant administering agency for endorsement and submittal to the NASA contracting officer. Acquisition is not authorized until NASA approval is received. Additional detail is contained in NASA Supplement to the Federal Acquisition Regulation, Subpart 18-45.302-71, Acquisition of ADPE.