

UNIVERSITY OF NORTH GEORGIA EQUIPMENT/INVENTORY MANAGEMENT PROCEDURES MANUAL

Purpose: The purpose of this document is to assist UNG personnel in day to day equipment inventory control functions. Proper maintenance of this equipment inventory is necessary to achieve correct financial reporting for UNG, to assist in the assessment of suitable insurance coverage, and to aid departments in the accountability for and proper disposal of their equipment/inventory.

The objectives of the various schools and departments dictate the need for, and use of, equipment as defined in this guide. It is not the intention of the Office of Logistical Services to interfere in, or hamper in any way, the lawful pursuits of these objectives. The responsibility for equipment acquired with State funds or donated to the State for use at UNG rests with the department having custodial accountability, and it is the primary mission of Logistical Services to assist the departments in their inventory management functions.

This policy does not replace the current BOR guidelines, but enhances and defines these procedures for NGCSU.

I. Definitions:

A) Inventoried Equipment – Equipment referred to in this policy are items that are non-consumable and non-expendable in nature, having a life expectancy of three or more years and an acquisition cost of at least \$3,000.00 to include shipping/handling and installation. The same rules apply whether the item is purchased or donated to NGCSU. Inventoried Equipment is also known as “Assets” in this policy. Examples of these items are:

1. Motor Vehicles
2. Mechanized and non-mechanized equipment
3. Office or classroom equipment
4. Appliances
5. Firearms – Mandatory regardless of price. (Weapons are made available only to certified law enforcement agencies and will not be disposed of through public sale.)
6. Fabrication of equipment by the department or physical plant meeting criteria as regular purchases.
7. Gifts of equipment by outside agencies, companies or individuals meeting criteria for assets and receiving DOAS approval.
8. Items received from DOAS Surplus with an estimate value of \$3,000 or more.
9. Buildings and or Improvements, Land and Land Improvements, Facilities and other Improvements, Infrastructure or Construction In Progress meeting the Capital Asset Guidelines outlined by the Board of Regents (BOR)
http://www.usg.edu/business_procedures_manual/section7/
10. Capital Lease items meeting the Capital Asset Guidelines if the equipment will be transferred to NGCSU and the State by the end of the lease/purchase agreement.

B) Personal Property – Any fixed or movable tangible property used for operations. The benefits of which extend beyond one year from the date of acquisition. Personal property refers to any item that is owned by the State and is not real estate, regardless of acquisition cost or method.

C) Materials and Supplies - Materials and Supplies are classified as supplies and/or equipment costing less than \$3,000.00, having a life expectancy of less than three years – regardless of the cost.

D) Assets are defined as Property and Equipment with an acquisition cost of \$3,000 and up and having a life expectancy of three or more years. For clarification purposes, Assets with an acquisition cost

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from \$3,000 to \$4,999.99 are referred to as Small Value Property (SVP). Assets with an acquisition cost of \$5,000 and over are Capitalized Assets and therefore depreciated.

E) Surplus property is personal property that the state no longer requires.

F) Asset Manager: Individual by Office of Logistical Services who oversees all assets (SVP's and Capital inventory) on campus.

G) Property Control Manager: Individual assigned by Office of Logistical Services who oversees Central Receiving where assets are coming in and leaving campus.

H) Inventory Manager: Individual assigned in each department to oversee their departmental equipment. This person is assigned by the Department Head.

I) Department of Administrative Services (DOAS) – Department of the Governor of the State of Georgia which is responsible for all administrative procedures, including the acquisition and disposal of property.

J) Board of Regents (BOR) – Governing body of all Colleges and Universities in the University System of Georgia.

All inventoried equipment and/or materials and supplies are to be delivered to the UNG Central Receiving department located at 332 Sunset Drive, Dahlonega, Georgia 30597. This will also ensure that inventoried equipment is identified by the appropriate serial number, barcode, etc. This equipment will be delivered added to that particular department's inventory.

II. **Acquisition of Inventoried Equipment**: All purchases of Assets as defined above must be put through on a Purchase Order obtained through the Office of Purchasing. Inventoried Equipment or Assets are not allowed to be purchased on the UNG P-Card.

Any property meeting the State definition of equipment and either owned or controlled by UNG should have a barcode affixed to the item. This barcode is a five (5) or more digit number affixed to the property by the Property Control Manager when the item is received. Additionally, UNG takes a picture of each item that has a barcode and this picture is put into the Logistical Services inventory system.

Some equipment, because of its nature or intended use, is not suitable to be labeled with a barcode. In instances where exposure to the elements is a factor, an inventory number may be etched into the surface of the equipment. If the equipment is subject to intense heat, cold or operating complexities and etching is not possible, an inventory number shall be assigned to the item and entered into Equipment Control ledgers with appropriate notation that the equipment bears no barcode. A file is kept with barcodes listed for just such items.

Gifts donated to UNG become the property of the University. Once a gift is offered to a particular department on behalf of UNG, it must be approved by DOAS and/or BOR prior to putting this item on the books. Once approved, Gifts are entered at their fair market value at the time the gift is accepted. This is accomplished by an appraisal independent of any appraisal made at the request of the donor. It is the receiving department's responsibility to obtain this document.

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There are certain items that are not on the Inventory of the University but due to the possibility of misappropriation, will have a UNG sticker affixed to them. (Examples of these items are iPods, iPads, laptops, digital cameras, etc.) These items will be tracked of by each department.

III. **Use of Equipment:** Individuals rarely own the equipment they use at UNG. Usually, if the Board of Regents (BOR) does not own it, the Federal Government or some private concern or corporation does, and therefore, strict accountability is required. All equipment owned by the BOR, or a sponsor, is intended for use by delegated individuals who are members of the staff or faculty.

The property must be used for the purpose intended and personal use is forbidden except when authorized by the department head, and for reasons conforming to UNG regulations.

Some of the equipment in use at UNG may be eligible for reimbursement by the Federal Government either through depreciation or use allowance. This equipment must be State owned and in support of sponsored research and educational endeavors. A further stipulation is that the equipment be in actual use. The assignment of use factors (the degree of use) is a task handled by the Department of Grants and Contracts. Use Factors will be updated on the Department Inventory form supplied by Logistical Services department prior to the annual physical inventory.

Equipment which is idle or under-utilized on a regular basis should be considered for use by other departments on a "share" basis. A system of sharing can be of great benefit to UNG and all its departments since by avoiding duplications of purchases, more money will be available for the purchase of additional varied equipment. Government guidelines have specified that before Federal funds can be used to buy capital equipment, it must first be determined, and documented, that like equipment, or substantially similar equipment, is not available for use elsewhere at the Institution. It is important to note that equipment to be considered for shared usage need not be equipment purchased or donated by the government. In fact, equipment owned by the Federal agencies is not available for shared usage without the written consent of the owning agency's contracting officer. Since, however, shared use of equipment is encouraged by Federal agencies and all reasonable requests are likely to be approved, it can be safely stated that shared usage will affect all equipment whether acquired with Federal, State or other funds. No equipment will actually be shared until there is full agreement between both parties covering all utilization and cost aspects.

IV. **Receipt of New Equipment:** Any department receiving new equipment should immediately check for broken and or missing parts and to see if equipment operates properly and conforms to the order within 72 hours of receipt of item(s). The department needs to contact the vendor and return any item(s) that are damaged. The Property Control Manager must be notified if a barcode needs to be taken off, who in turn, will notify the Asset Manager for Inventory purposes, if needed.

V. **Departmental Responsibility:** It is each department's responsibility to ensure that all equipment is being reasonably safe-guarded against theft, vandalism, misuse and destruction. Equipment is not to be removed from its location without the permission of the department head or Inventory Manager (See this section below) when so delegated. Individuals having custodial responsibility are to account for all property in their care before leaving the employment of UNG. Newly purchased equipment over \$3,000 will be decaled by Logistical Services personnel and will be added to UNG'S inventory by the Asset Manager.

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VI. **Departmental Inventory Manager**: Each department head or major budget unit is required to appoint or Delegate an individual who will represent the department in matters of equipment management. Such Individuals should be assigned this responsibility as part of existing duties. In assisting with Inventory Management, the Department Inventory Manager will be required to maintain current information and records regarding property for their department, assist in locating custodial recipients for audit purposes, process transfers and disposal, keep track of off-site usage, and assist in the annual physical inventory process. Once the annual inventory is agreed upon by both parties, it is the department head's responsibility to sign off on the Inventory for his/her respective department.

Although an Inventory Manager is assigned by each Department Head, the Department Head is responsible for his/her Department's inventory.

VII. **Movement of Equipment**: There are three types of equipment movement: Equipment Transfer; Equipment Loans and Equipment moved to an off-campus (satellite) location.

- ✓ Equipment Transfers and offsite Campus Locations must have a Property Control Form filled out in detail. A copy should be sent to Logistical Services before the equipment leaves the campus and should be noted on that particular department's inventory. If a piece of equipment is to be transferred to another state agency, this must be approved prior to the transfer and the Property Control Manager (located at the Office of Logistical Services) must obtain approval from the Department of Administrative Services (DOAS) *prior* to the transfer.
- ✓ Equipment Loans – Departments occasionally loan out equipment to an individual (faculty/staff/student) for use at home or on a trip. Any equipment on loan to a faculty or staff member in excess of 72 hours must have a Loan Agreement filled out. This agreement must be sent to Logistical Services prior to the property leaving the campus and should have a specific return date. If equipment is loaned to a particular student/faculty/staff member on a regular basis, such as laptops, digital cameras, etc. for off-campus use, even if the equipment is not listed as an Asset, these pieces of equipment must have a Loan Agreement filled out.

VIII. **Disposal of Equipment**: Any Equipment and/or Materials and Supplies to be disposed of must go through the Property Control Manager for proper disposition. A Property Control Form must be filled out and an appointment set up with the Property Control Manager for equipment pickup. The department must remember that usable equipment, materials and supplies belong to the BOR. (regardless of value) and must be disposed of by going through the Property Control Manager in Logistical Services for approval.

Inventory and/or equipment turned into Logistical Services can be used for the following purposes:

1. Transfer to On-Campus users; an appointment needs to be set up to view the disposable equipment.
2. Trade In on new equipment must have DOAS Approval prior to purchasing.
3. Transfer to another state agency or institution (DOAS approval is required prior to transferring).
4. All property to be sold is put on the following website by DOAS:
<http://doas.ga.gov/STATELOCAL/SURPLUS/Pages/Home.aspx>. Should the property not sell after ten days, DOAS then has the property for sell on eBay. UNG employees are then allowed to bid and purchase items sold off eBay.

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Note: Damaged property/inventory must be approved by Logistical Services and DOAS prior to disposal.

IX. **Destruction of Equipment:** Items must be destroyed and witnessed by two (2) people in Logistical Services, prior to disposal of the remains.

As mentioned previously, a Property Control Form needs to be filled out by the department requesting the disposal/surplus of equipment. UNG recognizes the following four categories to be used regarding the “condition of equipment” being sent to surplus/disposal.

1. Good – functionally operational; little or no repair necessary, preventative maintenance accomplished on schedule.
2. Fair – limited repairs are necessary and/or preventative maintenance not accomplished. Equipment is generally operational.
3. Poor – major repairs are necessary and would exceed 25% of the original acquisition cost. Equipment is not completely functional and is not be maintained.
4. Scrap – not functional or cannot be repair or modified to meet current acceptable specifications and has no value except for materials content. Item is also not transferable to another State Agency.

If the equipment to be disposed is computer equipment, it is the issuing department’s responsibility to fill out a Property Control form and to notify IT and have the IT department pick up the equipment and sign for it. To dispose the equipment, an IT representative must sign the Property Control Form indicating that the hard drive has been properly cleaned prior to sending to Logistical Services for pickup. IT surplus equipment **must** be sent to DOAS for surplus.

Certain usable property may have a monetary value which can be stated on the form before submission to Logistical Services. The University is thus “selling” the article usually to another school or State Agency. The Department of Administrative Services acts as a broker and retains a commission for their services. If the price is unrealistic or the item is not marketable, the state requires us to lower or delete the price.

Mattresses and clothing are the only items **not** to be surplussed, and disposal of these items is the responsibility of the individual department.

Occasionally a department may find it feasible or necessary to strip equipment of parts for use on other like types of equipment. This is only allowable should the item being stripped no longer be serviceable and repair charges to be excessive. Prior approval must be obtained by the Property Control Manager on campus for approval prior to disassembling equipment. The following guidelines are offered to ensure compliance with State and Federal regulations:

1. State owned equipment which is useless and where parts are to be removed to support usability of like equipment require State approval and Logistical Services must be notified via a memorandum so DOAS approval can be requested.
2. If an asset has been purchased with grant funds, the property cannot be cannibalized until permission has been granted by the agency having jurisdiction or until title has passed to the State and permission acquired by the Department of Administrative Services.

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3. If an item is being acquired from the State Surplus Property Warehouse with the intent to cannibalize, permission authorizing the cannibalization must be requested while at the Warehouse.

X. **Equipment Trade-In:** Vendors of equipment sometimes accept older units of equipment as “trade-ins” on new equipment. The Property Control Manager must be notified **prior** to purchasing the equipment to get approval from DOAS to trade/in the equipment. This is done using the Property Control form.

XI. **Lost or Stolen Property:** Property which is lost and/or suspected of being stolen should be reported to Public Safety immediately by the department. An incident report will be prepared by Campus Police and a copy must be sent to the Property Control Manager who will in turn send a copy to the Comptroller’s Office along with any necessary insurance filings. The Property Control Manager will notify the Asset Manager, if necessary, should the item be an Inventoried Asset. A Property Control form must be completed to remove the asset from inventory records. If the item value is \$5,000 or more, prompt notice must be sent to DOAS, Risk Management Services.

XII. **Hazardous Property:** Certain property assigned to a department may be hazardous in nature. The Inventory Manager assigned by the department should be aware of this fact when it comes time for equipment disposal. For example, it is unlawful to dispose of any radioactive equipment through any entity other than an agency licensed to receive such material. UNG Surplus/Warehouse is **not** such an entity. The Inventory Manager should contact the Campus Safety Office (located at Public Safety) for instructions as to disposal.

XIII. **Equipment/Asset Inventory** - One of the functions of the Office of Logistical Services is to maintain a perpetual inventory of all assets acquired by UNG for use in various educational, research and administrative functions. As such, a physical inventory of all equipment must be conducted every year. Printouts of departmental holdings shall be created at least annually. The departments will be required to assist the Asset Manager with the physical inventory of each item on the departmental listing. Should there be any missing or unaccounted for assets, this will be taken up with the Comptroller’s Office to decide the proper course of action.

It is the responsibility of the head of each department, upon written request by DOAS, to provide a list of all personal property held by that department.

IT will annually conduct a 100% physical inventory for computers, projectors, switches and similar items costing over \$3,000 or more. The results will be sent to Logistical Services and Logistical Services, will in turn, “spot check” this inventory. While IT is responsible for conducting the physical inventory for the above, it is ultimately the responsibility of each department to make sure the equipment is in place and working.

XIV. **Insurance:** Department heads should be aware that property under the control of UNG and owned by the BOR is covered by insurance. Coverage is provided by the State of Georgia Insurance and Hazard Reserve Fund. This is a blanket policy protecting inventoried equipment in designated locations on campus and in locations off the campus; owned, rented, or leased by UNG. This policy protects property against fire, lightning, windstorm, hail, explosion, smoke, flood, civil commotion, aircraft, radiation contamination, and leakage from fire protection equipment.

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All-Risk coverage is provided when property is in movement off campus. This insurance provides the same basic coverage as listed above. An Equipment Loan Agreement Form must be completed and sent to the Logistical Services/Property Control Manager for approval, before equipment is moved.(See Equipment Loans).

In the event that property is transferred from one building or site to another without Logistical Services being notified, the insurance could be jeopardized in case of loss.

Please contact the Public Safety Officer for further clarification.

XV. Management Information Reports:

- Query by Barcode for all Inventory – to include building/room
- Query by Asset I.D. for all Inventory – to include building/room
- Query by Location for all Inventory – to include building/room for all departments.
Excel Query – This report can be sorted various ways to include Department, Location, barcode, etc.