

THE UNIVERSITY OF TEXAS AT EL PASO

Business Process Guidelines

New Inventory Entries

Purpose

This business process guideline is issued to provide University departments with guidance when new or used assets are initially received by the University.

Policy

The Vice President of Business Affairs issues this process guideline in accordance with The University of Texas at El Paso's Handbook of Operating Procedures (HOOP), section 7 Financial Services, chapter 3 University-Owned Property and Equipment <https://www.utep.edu/hoop/section-7/ch-3.html> , and chapter 4 Transfer of Capital and Controlled Equipment <https://www.utep.edu/hoop/section-7/ch-4.html> , as applicable.

This policy covers assets acquired with university funds; assets acquired with a federal, state or private contract or grant; assets received as a loan from an external agency, and assets donated to the University. University property is State property and may be used for official purposes only. Federally-owned property is property of the United States government, and must only be used for approved purposes only. Privately-owned property belongs to a private entity and must be treated as agreed upon between the donor and the university. If the title to an item does not rest with the university, the university is still responsible for the caretaking of the item and liable for the item until it is returned to its owner.

Procedures

Properly defining an asset's ownership and title is important to be able to identify equipment that have special restrictions or fall under rule 52.245-1 Government Property <https://www.acquisition.gov/far/52.245-1>

Capital, controlled, loaned, and federally owned assets are placed on the university's inventory system as they are acquired and are accounted for each year by a physical inventory.

The Inventory Department is responsible for:

- Running status reports on at least a monthly basis. This report will identify projects where the title of capital assets vests with the federal government.
- Upon receiving notification from the Central Receiving office that equipment has been received, or from the office of a Principal Investigator (PI) in those cases

where the equipment gets delivered to a location outside of Central Receiving warehouse, the Inventory Department is responsible for creating a new entry into the Assets database to record the assets characteristics and give it a control number, and tagging the equipment with a white university barcode tag. If the equipment is federally-owned and title vests with the federal government, the equipment will be tagged with an additional green tag. If the equipment cannot be tagged because of size, configuration, use, etc., the number may be etched or painted on the item. If this is not practical, a number will be assigned to the item and then entered into the inventory system as U.S. Government property. The record will contain a notation that the number is assigned and not on the item. Or, if the equipment received is a loan from an outside agency (public or private), the equipment will be tagged with an additional red tag for identification and tracking purposes.

- Ensure that the equipment is recorded in the university's inventory system, identifying at a minimum the asset's description, acquisition value, funding source, acquisition code, and campus location.
- Take a yearly physical inventory of all assets on campus to verify existence, location, and condition. Prepare a reconciliation of the University's assets and notify departments of any discrepancies found.

Department heads are responsible for establishing internal controls that ensure the following:

- Department heads, Project directors, PIs, inventory custodians, and departmental purchasing personnel must be sufficiently familiar with the provisions of the contract or grant to ensure that purchases are not made until approval is obtained from the sponsoring government agency.
- Identify the source funding for all the equipment under their responsibility, and know any restrictions associated with the equipment, including, but not limited to, funding source, who holds title to it, restrictions to transfer or dispose of it, length of the program, and what happens to the equipment upon the conclusion of the sponsored program.
- Obtain approval and proper documentation in the form of a contract or agreement that allows the university to identify equipment transferred to the university, and what is its ownership status.
- Assets are kept physically secure at all times.
- Verify that capitalized and controlled equipment are properly tagged.
- Know the physical location of the assets at all times and be able to identify them when requested.

- All Inventory Services policies and procedures are followed and adopted as appropriate to meet each department's needs.
- Are responsible for the custody, safekeeping, and proper use of expensed items in addition to their department's assets.

OSP is responsible for establishing internal controls that ensure the following:

- Reviewing all contracts and identifying where title will vest with the federal government for any equipment purchases and reporting this information on the Notice of Award (NOA). This information will be used by Grants Management Accounting to add a Keyword in the Award Profile setup that will be available via query. OSP will also provide clear instructions to identify equipment where title vests with the federal government so that it can be properly tagged.
- Have contracts and records that support and facilitate monitoring the existence of on-campus equipment acquired with federal funds, especially for those assets where the title vests with the federal government or an external agency.
- Maintain a current and updated list of federally-funded programs with enough information to allow for quick identification of each program's title-restrictions
- Assist and facilitate reporting and communication with the federal agency.

Institutional Advancement is responsible for

- Notifying VPBA and the Inventory Department about noncash gifts to the university which are required to be added to inventory upon formal acceptance by the University's IA Office. The value of such items is an appraised or fair market value as provided by the donor. The official acceptance of all gifts on behalf of the university is governed by the University of Texas System Board of Regents Rules and Regulations [Series 60101](#) and UT System System-wide Policy [UTS138 Gift Acceptance Procedures](#).

Applicability

All campus colleges and departments have direct or indirect responsibility over assets and equipment in their department.

Definitions

[Personal property](#) consists of capitalized or controlled assets not classified as real property.

[Capital assets](#) are assets that have a value equal or greater than US \$5,000.

Controlled assets are assets that the State has determined as high loss risk to be secured and tracked because of the nature of their possession. These assets are normally expensed, and their value is between \$500 and \$4,999. Controlled assets do not include capitalized assets, real property, improvements to real property, or infrastructure.

Government Furnished Property (Equipment) (GFE) means property in the possession of, or directly acquired by, the government and subsequently furnished to the contractor for the performance of a contract. All assets, including GFE, follow the capitalization threshold outlined in the [State Property Accounting \(SPA\) Process User's Guide](#).

Department Head refers to Vice Presidents, Deans, Directors, Department Chairs, Chief Administrative Officers (CAOs), and other Administrative Officers.

OSP refers to the Office of Sponsored Projects.

IA refers to the Office of Institutional Advancement.

The Code of Federal Regulations section CFR 200.1 contains additional definitions that may be applicable to this guideline, and can be consulted in the following link <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#page-top>

Responsible Party

Office of the VPBA, Comptroller's Office, and General Accounting Department.

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