The University of Texas at El Paso has been designated as a Reporting Agency by the State Property Accounting System (SPAS) established by state statute. These applicable state laws also impose upon the University and each employee responsibility for the care and proper use of all state property. Legal action may be taken by the State Attorney General's Office against any employee deemed to have been negligent in the care and stewardship of University-owned property.

The President of the University has designated the Vice President for Business Affairs as the responsible party for Institutional Property Management. The Vice President for Business Affairs has assigned the Office of Institutional Property Management to oversee compliance of this policy. The responsibility for the proper care of University-owned property in each respective department has been assigned to Vice Presidents, Deans, Directors, Department Chairs and other Administrative Officers. This responsibility cannot be further delegated by the Administrative Officer involved.

3.1 Standard of Care

Accountable administrative officers must take all necessary precautions to assure that property is used only for official business and that property is secured and maintained in a manner to prevent theft, loss, damage or misuse.

At a minimum, reasonable care for the safekeeping of all institutional property should be exercised. The term "reasonable care" means that steps have been taken to maintain all institutional property in an acceptable manner, to ensure the security of all institutional property; to ensure that all institutional property can be located at any time requested; and to ensure that each person to whom institutional property is assigned is known and is aware of their responsibilities.

Departments must know where all assets are located at all times; should have a method of locating any inventory item whether on-site or off-side under their control; and should be able to locate a given item upon request.

Property that is assigned to employees must be used for stated purposes only, and the responsibilities of stewardship and care of the property are maintained at the department level. If an employee plans to use equipment off-campus, an “Authorization to Remove Equipment Off Campus” form must be completed.
and approved by the designated administrative officer. Employees are fully responsible for the assigned equipment and can be held liable for loss or damages.

3.2 Reporting Requirements

Those officers designated as responsible for institutional property are also responsible for maintaining their department’s institutional property inventory, and this responsibility cannot be delegated to another individual.

All departments are responsible for the accurate and timely reporting of all institutional property in their possession. Departments are also responsible for assuring the accuracy of all statements of financial condition relating to institutional property. The Property Manager will announce the time and provide the procedures for conducting an annual institutional property inventory required by law, see section 3.7.3.

All new institutional property with a value of $500 or more will be tagged with a UTEP property tag, assigned an inventory number and placed on the official inventory records maintained by the Office of Institutional Property Management. State statute requires certain items valued less than $500 to be tagged. Items valued under $500 may be tagged at the request of the department. Departments shall contact the Office of Institutional Property Management to coordinate.

Each department is responsible for taking all necessary precautions to ensure that assets are secured and that assets are tracked in a manner that prevents the theft, loss, damage, or misuse of assets.

3.3 Valuing Equipment

Equipment values are recorded at the actual cost of the item (including trade-in value) plus all costs required to place it into service, such as freight and other related professional expenditures incurred in the purchase of the item. If the property is acquired through donation, it is recorded at its estimated fair market value on the date of acquisition. Property manufactured at the University or other state facilities will be valued according to labor and materials cost. Departments receiving untagged property with a value of $500 or more should contact the Office of Institutional Property Management to arrange for the items to be tagged and recorded on the official institutional property inventory.

3.4 Federal Grant/Contract Assets

The University has special responsibilities to the U.S. Government for equipment acquired under grants from federal sources.

3.5 Equipment Retention/Identification

Federal regulations require that all equipment purchased with funds supplied by the federal government must be retained by the University for the duration of the award (See section 3.6 below).
Under most federal awards, within 120 days following the end of the award, title will normally vest with the University, unless specific restrictions are placed within the agreement between the University and the granting agency. In this case, the terms and conditions set forth within the agreement will prevail.

To comply with the identification requirements, it is essential that all procurement documents issued in payment for such equipment be labeled clearly as to the source of funds. It will be the responsibility of the Office of Institutional Property Management to see that equipment purchased on such procurement documents is placed on property records and specifically identified in the inventory as to the source of funds.

3.6 Restrictions on Use/Disposition

It is imperative that all departments accountable for sponsored projects purchased property be aware of this requirement, and it is the responsibility of the administrator of each department to make sure that no restricted funded equipment is used as a trade-in or turned in as a credit toward the purchase of other equipment.

If the equipment becomes unusable or obsolete through normal use within the award period, the Principal Investigator must contact the Office of Research and Sponsored Projects which will negotiate appropriate disposition with the funding agency. ORSP will advise the Office of Institutional Property Management of the funding agency’s requirements. If such equipment becomes surplus to the department’s need after the award has ended, normal institutional procedures should be followed. If the equipment becomes worn beyond the point of economical repair, it must be turned in as "surplus property". When the property has been received as “surplus”, permission must be obtained from the appropriate federal agency to dispose of the equipment. It is mandatory that sufficient documentation is maintained to support the disposal of any equipment purchased with federal funds while the award period remains open. This documentation demonstrates the University's proper stewardship of the resources granted or awarded to the University by federal agencies by detailing the reasons for disposal.

3.7 Maintaining Records

3.7.1 Loan of Property

Departments may temporarily loan equipment to other University departments for the conduct of official business.

Property may be loaned to other state agencies only upon completion of an Inter-Agency Agreement and approval by the Vice President for Business Affairs and/or Vice President for Research (if grant related). State property may not be loaned to private individuals, corporations or organizations except pursuant to a University approved contract. Please refer such matters to the Office of Research and Sponsored Projects and/or the Vice President for Business Affairs for handling.
Departments loaning property to others do not absolve themselves from the responsibility of assuring stewardship of the property. Loaned property remains on the physical inventory of the loaning department, which must observe the reporting requirements for the property.

3.7.2 Salvage Property

Salvage property is any institutional property, which through use, time, or accident is so depleted, worn out, damaged, consumed, or outdated that it is obsolete and/or can no longer serve the purpose for which it was originally intended. Equipment will be advertised as available to other University departments before it is declared salvage.

Property that meets the above criteria for surplus or salvage property must be processed by the Office of Institutional Property Management/Surplus according to the prescribed format for deletion of records. This process will automatically request the necessary approval for such deletion from a department's inventory through the Office of Institutional Property Management.

3.7.3 Missing or Stolen Property

Property that is missing or stolen property must be reported immediately to the University Police Department. Upon verification of the loss, it should also be reported to the Office of Institutional Property Management, which will automatically initiate notification to the Vice President for Business Affairs, and subsequently State Comptroller and State Auditor if required by law.

When state property is lost, damaged or destroyed through the negligence or fault of a state employee, the employee is liable to the State for the loss. The State Auditor and/or the President may investigate such losses and can require compensation be made by the employee.

3.7.4 Transfer of Property

If a department possesses property that is in excess of its needs and that has additional useful life, such property should be transferred to the Office of Institutional Property Management for reassignment to other University departments. If the Vice President for Business Affairs determines that the equipment is not needed for any department, that it is not practicable to store the equipment for possible future use, and that the equipment can be used for instructional purposes, it shall be made available to a public school district or school district in accordance with Section 2175.304(b) of the Texas Government Code before disposing of the property in another manner. The instructional equipment may be transferred to the public school or school district for such consideration, or for no consideration, as the Vice President for Business Affairs determines appropriate. Ordinarily, departments are not permitted to "sell" or otherwise barter surplus property to another department. In exceptional cases, arrangements for reimbursement of all or a portion of the cost of new or nearly new equipment may be approved upon submission of a written explanation of the circumstances to the Vice President for Business Affairs.

Equipment may be transferred between departments, but the departments involved must complete the proper documents to formally amend the official inventory records to reflect
deletion from the transferring department and addition by the receiving department. Departments considering transfer of surplus property should contact the Office of Institutional Property Management/Surplus for assistance.

3.7.5 Disposal of Property

Individual departments are not authorized to unilaterally dispose of state property in any manner. Property that is surplus to a department's needs or no longer capable of being used because of age, condition or obsolescence, should be transferred to the Institutional Property Manager for reassignment or disposal by the Inventory Section in accordance with state laws.

Surplus or salvage equipment that is not disposed of in accordance with state laws shall be disposed of in accordance with the following provisions:

a. for items of little value or limited use where sale on competitive bids is not practicable, the Vice President for Business Affairs shall have the authority to dispose of the property on the basis of negotiated bids or surplus auction in amounts under $50,000;

b. sale of property estimated to bring $50,000 or more shall be made on a basis of competitive bids;

c. a sale in the amount of $100,000 or more shall be approved in advance by the Chancellor and ratified by the Board of Regents through the institutional docket;

d. sales to employees are governed by the provisions of UTS159.

In those cases where cannibalization of one piece of state property to repair another equipment item is appropriate, authorization must be obtained from the Office of Institutional Property Management to initiate removal of the cannibalized item from the inventory records.

If an item of surplus or salvage equipment is not disposed of as provided above, the Vice President for Business Affairs may determine that the item is of nominal use or value and direct that the item be donated to a civic or charitable organization or destroyed. If donated to a civic or charitable organization, the Vice President for Business Affairs shall ensure that the donation serves a proper public purpose appropriate to the function of the University, and that sufficient controls are in place to ensure the public purpose is achieved.

3.8 Property Ownership

All property physically located on the campus is normally presumed to be State-owned property. Any property that is the personal property of individual employees should be marked accordingly or otherwise documented with the employee's department. The University is not responsible for theft, loss or damage of any employee's personal property, whether used for official business or not.
3.9 Agency Training

The Office of Institutional Property Management shall ensure that appropriate employees are properly trained and knowledgeable in the accounting for and care of the University's institutional property.

3.10 Texas Surplus Property Agency

3.10.1 Acquisitions

The Office of Institutional Property Management, as the official representative of the University, with the consent and advice of the Vice President for Business Affairs, is the only office authorized to transact business with the Texas Surplus Property Agency (TSPA). All parties interested in acquiring property from this agency should contact the Office of Institutional Property Management.

3.10.2 Deletions

Disposal of institutional property acquired from TSPA requires special handling in addition to the normal disposal procedures. Contact the Office of Institutional Property Management for assistance in such cases.