The Training Post

CBT

An Educational
Computer Based Training Program

Procurement Management

Office of Property Administration

Annual Property Inventory Procedures

The University of Texas at Dallas

Compliance Training

What you need to know

- Who is responsible for carrying out proper inventory procedures
- What can happen if we fail to adhere to good inventory procedures
- How to conduct an effective physical inventory
- What kinds of items need to be tracked via physical inventory
- How to move goods out of your department
- What to do if you can’t find an item on your inventory list

Who is responsible?

- The ultimate responsibility for the safeguarding of UTD property lies with the head of each department.
- Department heads may delegate inventory duties, but they retain the responsibility.

Who is responsible?

- Department heads should designate appropriate employees to ensure that University property is properly maintained and properly controlled.

Consequences of improper inventory procedures

- The Texas Legislature will withhold appropriated (state) money if there are excessive missing or stolen items

- UTD may subsequently reduce the corresponding departmental budget(s)

How to conduct the annual physical inventory

Phase 1

- Property Administration distributes departmental inventory sheets
- Departmental employee conducting the inventory must locate all items on the inventory sheet, making corrections to the item location as needed
- Department returns the completed inventory sheet to Property
- Property updates records and prints a final inventory Department reviews the final inventory for accuracy
- If satisfied that the information is correct, the departmental employee that conducted the inventory and the department head sign the certification and return it to Property.

How to conduct the annual physical inventory (cont.)

Phase 2

- Final results are reviewed by University financial officers and auditors, and are ultimately reported to the State Comptroller's office
- Property Management and/or Internal Audits conduct spot audits throughout the year to verify the accuracy of the physical inventory. This spot audit may include physically viewing the assets to ensure that they are located where indicated on the departmental inventory.

What needs to be tracked via physical inventory?

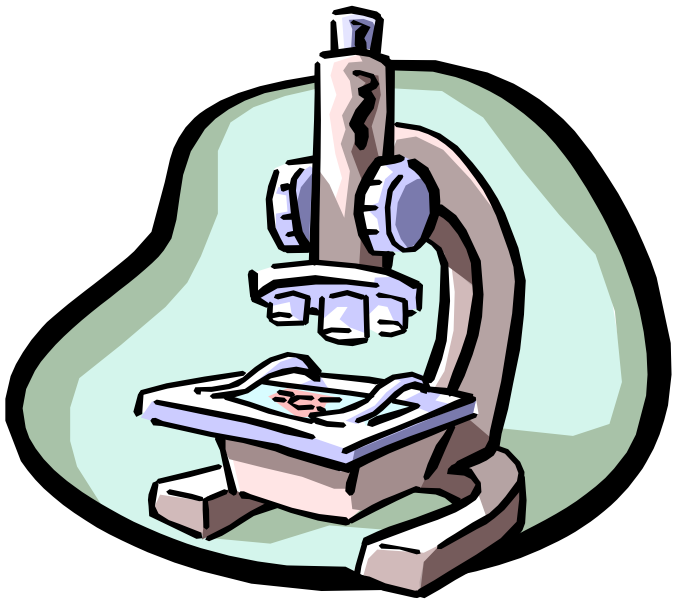
- Controlled Items – electronic and laboratory equipment valued between $500 and $4,999 per unit.
- Capital Items – items currently valued at $5,000 or greater.

Examples of Controlled Items

- Stereo Systems
- Cameras
- Video Cameras
- VCRs/DVD Players
- Television Sets
- Fax Machines
- Computers/CPUs/Laptops
- Printers

These controlled items need to be inventoried

Examples of Controlled Items



- Centrifuges
- Balances
- Incubators
- Microscopes
- Oscilloscopes
- Firearms (*firearms are controlled items regardless of dollar value*)

These controlled items need to be inventoried

Examples of Capital Items

- Furniture or fixtures with a unit value of $5,000 or more
- Equipment or computer systems with a unit value of $5,000 or more

These capital items need to be inventoried

Two types of inventoried goods

- Tangible goods that need to be inventoried must have a UTD property tag and barcode label affixed to them. If the item is shipped through Central Receiving, Property Administration will affix the tag for you. If the item comes directly to the department, call Property immediately at ext. 2150 to obtain an inventory number, tags and labels.

Two types of inventoried goods

- Some things, like software, cannot be tagged for inventory purposes. Such items are always assigned a property number beginning with 500.

Moving items out of your Department

- Make sure to record the inventory tag number on all forms and correspondence regarding the item in question. This helps keep Property's inventory records accurate.
- *The Department* remains responsible for the item until it is officially accepted by the new department.

Moving items out of your Department

- **<u>To transfer an item to another department:</u>** Complete an *Interdepartmental Property Transfer Form* and mail to Property (SB14).
- If the receiving department will be paying you for the item, you must also process an *Interdepartmental Transfer* (IDT) form through the Office of Finance (AD37).
- Forms can be found at: http://www.utdallas.edu/utdgeneral/business/procure/eforms/propforms.html

Moving items out of your Department

- **<u>To transfer an item to another State agency:</u>**
  The department must obtain PRIOR approval from the Vice President for Business Affairs.

Moving items out of your Department

- **To remove property from campus:**
  The person removing the item from campus must have a current and accurate *Property Custody Receipt* filed with Property Administration. To obtain a form call Property at ext. 2150 or go to: http://www.utdallas.edu/utdgeneral/business/procure/eforms/propforms.html.

Disposing of Property

- **Surplus/worn out/obsolete:**
  Departments may not simply discard the item. Complete a *Release to Surplus* form and send it to Property at mail station SB14. The item must be moved to Property Storage before you are absolved of responsibility for it.
- **Cannibalized for parts:**
  Complete a *Destruction of Property* form and send any surplus parts to Property Storage.

Disposing of Property

- **<u>Returned to Vendor</u>:**
  Complete a *Return to Vendor* form and send it to Receiving (SB11) before shipping back the item. Property will remove any tags.

- **<u>Traded in</u>:**
  Make sure the credit is noted on the subsequent Purchase Order. If the vendor picks up the item directly, you must obtain a signed and dated receipt for the item.

Oh no, we've lost something!

- Departments are required to search for and account for any missing equipment
- *Missing Item Reports* are required for all items that cannot be located

Stolen Property

- If property is stolen, notify Campus Police within 72 hours, and get the police report number.
- Complete a *Stolen Property Report*. If the item is recovered, tell Campus Police.

A quick word on personal items

- Employees may bring personal items for use at work, provided they do not interfere with University business.
- The University is **not** liable for personal items, and employees are strongly encouraged to label any items they bring to campus.

Test your knowledge!

Following are several questions to test your knowledge of the information presented.

Answer all questions correctly to receive credit for the training.

Question 1

The department head can delegate the responsibility for safeguarding UTD property.

True

False

Sorry, try again

Review

Question 2

The Texas Legislature can withhold funds from UTD if there are too many missing or stolen items.

True

False

Sorry, try again

Review

Question 3

Each UTD department is responsible for safeguarding its capital and controlled property, and failure to do so could result in financial loss for the department.

True

False

Sorry, try again

Review

Question 4

Annual inventory happens in 2 phases: the initial inventory phase in which the department conducts an inventory to locate all listed items, and the second inventory phase where Property sends the department a copy of the final inventory report to review for accuracy.

True

False

Sorry, try again

Review

Question 5

An item is considered *Capital Goods* if the unit value is $5,000 or greater.

True

False

Sorry, try again

Review

Question 6

Controlled Goods are typically items valued at $500 to $4,999 that have a UTD property tag and must be inventoried each year.

True

False

Sorry, try again

Review

Thank you for completing the questions related to Annual Property Inventory Procedures.

Click on the button below to complete this module and receive credit for this course.

Click Here to Receive Credit for This Course

Congratulations!

You have completed compliance training on

Annual Property Inventory Procedures

The University of Texas at Dallas
Compliance Training

The End

CBT

The Training Post

An Educational Computer Based Training Program