Arkansas State University - Jonesboro
Inventory Procedures Manual

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Procedures

Property Accounting in the Controller's Office has the primary responsibility to maintain an accurate record of equipment owned by or in the custody of the University by following procedures within the guidelines of the State of Arkansas Inventory Regulations and System and University Guidelines.

ASU System Guidelines
http://www.asusystem.edu/offices/finance/files/Capital%20Asset%20Guidelines.pdf

ASU-J Capital Assets Policy
http://www.astate.edu/dotAsset/09ea1055-8d9a-48c8-bbaf-bb86a6f34593.pdf

Equipment is a significant portion of the University's total assets and sound judgment is therefore necessary. This manual describes procedures for equipment purchases, transfers, removals, cannibalization, theft, and physical annual inventory for both Capital and Low Value/High Risk Assets (LVHR).

Capital assets, as defined by state policy, are items such as equipment with an acquisition cost of $5,000 or more. Land, easements, livestock held for educational purposes, and library holdings should be capitalized regardless of value. Improvements to buildings, infrastructure and land that significantly increase the value or extend the life of the asset are also capitalized.

Assets that are easily susceptible to theft or loss are designated as LVHR. The following items are tracked for inventory purposes regardless of cost: laptop computers, desktop computers, iPads, tablets, cell phones, televisions, guns and handheld radios. Other LVHR assets include those with a cost between $500 and $4,999.99. These items include: research and clinical equipment, camera and video equipment, printers, projectors, tools, binoculars, slow moving vehicles, musical instruments, and any other items the University determines are susceptible to theft or loss.

Slow Moving Vehicles are defined as anything with a motor and wheels. The asset must be self-propelled and not licensed for public road use. This includes, but is not limited to, the following: four-wheelers, all-terrain vehicles, golf carts, Segways, off road mini trucks, mowers, tractors, etc.

The procedures outlined in this manual serve as a guide for all departments and offices.

Definitions

Equipment – Tangible property with an acquisition cost of $5,000 or more

Low Value/High Risk Assets (LVHR) – Tangible property costing under $5,000 and highly susceptible to theft or loss

ASU Property Tag – Label that is applied to equipment containing the asset number used for inventory purposes

Transfers – Moving and reassigning of equipment

Removals – Disposing of excess (no longer needed, obsolete, or damaged) equipment

Cannibalization of Property– Removing parts from one item of equipment and using them to repair another similar item of equipment

Missing equipment – Items that cannot be located

Stolen equipment – Items known to have been taken without permission

Annual Physical Inventory – Physically verifying equipment listed on the fixed asset annual property report.

Property Responsibility

Each department or office is responsible for the proper custody, care, maintenance, and safekeeping of property located in their department or office. The chair or supervisor may designate either himself/herself or a member of the department's staff as equipment manager. The equipment manager is responsible for notifying the Property Accounting of transfers, retirements, and thefts of University property by using the proper forms referenced in this manual. The equipment manager is also responsible for keeping a record of all department property. Each department or office is responsible for retrieving property from departing employees.

Equipment Purchases

Proper coding is important when ordering equipment. When processing a requisition for new equipment in the Banner system, requisition initiators must use the appropriate capital (items $5,000* and above) codes and non-capital (items under $5,000) codes based on the item that is being purchased.

Account Codes for Equipment $5,000 or above:

> 730500 – Capital Equipment
> 730600 – Capital Livestock
> 730700 – Capital Library Media
> 730800 – Capital Computer Equipment

Commodity Codes for Capital Equipment:

See Appendix A

Account Codes for Equipment under $5,000:

711307 – Non-Capital IT Equipment
711312 – Non-Capital Other Equipment
731000 – Non-Capital Slow Moving Vehicles

Account Codes for Repairs of Equipment:

710402 – Equipment Repairs and Maintenance
710403 – Vehicle Repairs and Maintenance

Commodity Codes for Repairs of Equipment:

See Appendix B

Account Codes for Software for Equipment:

711308 – Computer Software

Commodity Code for Software for Equipment:

20408 – Software

Commodity Codes for Low Value/High Risk Equipment (LVHR) and Vehicles:

20401 – Non-Capital Computers and Laptops
20403 – Non-Capital Printers, Copiers, and Projectors
20404 – Non Capital iPads, Tablets, and Cell Phones
42504 – Non-Capital Miscellaneous Equipment
07001 – Capital Vehicles-All Types (will map to 730500)
07004 – Non-Capital Slow Moving Vehicle (will map to 731000)
07005 – Capital Slow Moving Vehicle (will map to 730500)

The total cost includes taxes, freight, and installation charges. It does NOT include warranties purchased.

- Document Text should be used for the Location (building and room number in which the equipment will be) and Tag number, if applicable for trade-ins, repairs, etc. Information about the item(s) such as: description, color, size, and make/model should be placed in the requisition's description and Item Text used if needed.

- Trade-in's can be made on certain items. However, Property Accounting must be notified. Complete an Equipment Trade-in Form and send it to Property Accounting.

- If an item being purchased is to upgrade a piece of ASU equipment, please put the property tag number of the equipment being upgraded on the Requisition Form in the document text. Use the correct capital or non-capital codes for equipment upgrades. The cost of the upgrade will be added to the cost of the original piece of equipment.

- Most software is NOT considered a capital purchase and should be coded as 711308.

- Repairs for equipment are usually coded 710402 or vehicles 710403.

- Upon receipt of the equipment, inspect for damages, and use the Banner system to receive the equipment.

Property Accounting will assign property tag numbers for capital or LVHR equipment after invoices are posted. Arrangements will then be made with the equipment manager to place the property tags on the capital and LVHR equipment. If a large shipment of equipment is received, or if the equipment needs to be tagged immediately after receipt, please contact Property Accounting. Otherwise, the property tag numbers will be assigned as the invoices are posted. The property accountant or designees will apply the property tags.

Please Note: If a department is purchasing equipment for another area or department, the person responsible for *giving/releasing* the merchandise must complete a Transfer of Equipment Form signifying that the ownership has been transferred to the other department. After the Transfer of Equipment Form has been signed by both the releasing and receiving departments, the releasing department must submit the form to Property Accounting immediately.

Donated Equipment

Donations to Arkansas State University from the ***ASU Foundation***, ***Red Wolves Foundation***, or other sources require written notification to be sent to Property Accounting. Include the name of the donor, a description of the equipment, the date of the donation, and the *Fair Market Value* at the time of donation. Donated equipment must be added to ASU's property management system, properly tagged, and added to the department's records.

Donations from Arkansas State University to another agency require a Donation of Equipment Form. Send the form to Property Accounting *before* donating equipment. All donations must be made through Procurement Services and the State Marketing & Redistribution Office. Adjustments will be made in the property management system as necessary.

Property Transfers

Property Accounting must receive a Transfer of Equipment form immediately after University-owned equipment is moved.

Two types of transfers occur on campus: Interdepartmental Equipment Transfers (between two different departments) and Within Department (within the same department).

1. **Interdepartmental Equipment Transfers** – These transfers occur between two <u>DIFFERENT</u> departments. Both the releasing and receiving departments must sign the Transfer of Equipment Form before it is sent to Property Accounting. The Transfer of Equipment Form <u>will not be valid unless signatures from both the releasing and receiving departments are on the form.</u> The form will be returned to the department if a signature is missing. The department must provide the following information on the Transfer of Equipment Form:

   A. Date
   B. ASU Tag # (both tags, if applicable) & Condition
   C. Description including Brand, Model, Serial Number, etc.
   D. Department releasing the equipment, department receiving equipment, and contact information for each
   E. Current Location and New Location (Building & Room) and reason for the transfer
   F. Signatures of person releasing the equipment as well as the applicable chair/supervisor, and dean/department administrator
   G. Signatures of person receiving the equipment as well as the applicable chair/supervisor and dean/department administrator

2. **Within Department Transfers** – These transfers occur within the <u>SAME</u> department. This includes transfers between employees within the same department. Only the department involved must sign the Transfer of Equipment form before it is sent to Property Accounting. The form will be returned to the department if any of the signatures are missing.

- The department must provide the same information on the Transfer of Equipment forms as indicated in steps A-F above, including the person receiving the equipment.

- After the completion of this process, adjustments/reassignments will be made in the property management system. A final approved copy of the Transfer of Equipment form will be returned to the department if requested.

Note: Departments should retain a copy of the completed Transfer of Equipment Form in their files.

Excess Equipment

Equipment must be disposed of within the guidelines of the State of Arkansas Inventory Regulations. Any department disposing of excess (no longer needed, obsolete, or damaged) equipment must complete a Request for Excess Equipment Removal or Disposal form. Questions concerning the disposal of equipment may be directed to Property Accounting.

A final completed copy of the Excess Equipment form will be returned to the department or office after Property Accounting has updated the Banner System, if requested.

Note: Departments and offices should keep a copy of ALL completed Request for Excess Equipment Removal or Disposal Forms in their files.

Three types of excess removals and/or disposals may occur on campus: Equipment, PC/Laptop, and Mobile Device.

1. **Removal of Excess Equipment**

Complete a Request for Excess Equipment Removal or Disposal Form for ALL Excess equipment. The department must provide the following information on the request for equipment removal:

    A. Date, ASU Tag# (both tags, if applicable), and Condition
    B. Description
    C. Whether the equipment is to be removed for reuse or disposed of, and the reason
    D. Name, ASU ID, Department, Building, and contact information for requestor
    E. Signature of the requestor, Chair/Supervisor, and Dean/Departmental Administrator
    F. Signature of person from Facilities Management removing the equipment

2. **Removal of Excess Personal Computers and Laptops**

Backup any information needed before requesting removal of PC's and Laptops. The hard drives will be destroyed by Information and Technology Services (ITS).

The department must provide the same information on the Request for Removal of CPU's as indicated in steps A-F above. The department will send the form to Property Accounting when Facilities Management or ITS has removed the equipment and signed the form. ITS will then notify Property Accounting when the hard drives have been removed, and the equipment has been moved to Facilities Management for preparation of the next auction.

3. **Removal of Excess Mobile Devices**

Do not remove the SIM card. IT is responsible for removing and disposing of the SIM card.

After completion of the Request for Excess Equipment Removal or Disposal Form, and all of

the signatures have been acquired, the form must be sent to Property Accounting.

Off-Campus Property

Equipment may be taken off campus under certain conditions. Departments may allow outside schools, clinicians, researchers, students, etc. to use University equipment for educationally-related purposes consistent with the University's mission. Also, departments may have off-campus offices. Complete the Off-Campus Equipment Request Form and send the form to Property Accounting. **The appropriate dean or departmental administrator must sign the form to give written approval.** The person and the department/office accept responsibility for damage, loss, and/or theft of the equipment while in their possession.

Departments may assign equipment to faculty/staff which need to be taken off-campus for University-related purposes (such as iPads, laptops, etc.). The responsible department must track such equipment using the Department Off-Campus Equipment Log initially and then send a copy of the log to Property Accounting with changes and updates. The Equipment Log should be updated and kept in the department files. The person and the department accept responsibility for damage, loss, and/or theft of the equipment while in their possession.

Cannibalization of Property

NOTE: AUTHORIZATION MUST BE RECEIVED BEFORE REMOVING PARTS FROM ONE INVENTORY ITEM TO REPAIR ANOTHER.

If there is occasion when the use of parts from one item of equipment is cost effective to repair another similar item of equipment, contact Property Accounting for instructions on how to proceed. Once the equipment is fully cannibalized, excess equipment procedures should be followed to remove the equipment from inventory. Random cannibalization of state property is prohibited.

Stolen Property

Any suspected theft of property must be reported to the University Police Department. Theft occurs when an item is known to have been taken without permission. Contact the University Police Department and report the stolen item(s) immediately upon discovering the theft. Complete a Missing Equipment Report and send it to Property Accounting immediately and include the Police Incident Report Number.

Missing Property

Equipment is considered missing when the equipment manager does not know where it is

located. The item may have been moved to another location within the department without notifying the equipment manager. Missing equipment may ultimately be classified as stolen after an internal investigation has eliminated other potential locations.

Note: Do not use the term "missing" if you know the item is stolen.

Follow these procedures for each missing item:

    A. Appoint someone (typically the equipment manager) to investigate the case and present the facts.
    B. Obtain the full identification of the item and the last recorded location.
    C. Re-check the last recorded location again and then expand to adjacent locations to include interviews with individuals assigned to those areas.
    D. Conduct a search of property disposal records through Property Accounting and departmental records.
    E. Establish if the property could have been temporarily loaned to another department and search that location.
    F. Search all areas occupied by the department.
    G. Notify the University Police Department immediately if a theft is suspected at any time during the investigation.
    H. Present a report to the applicable Departmental Administrator at the conclusion of the investigation process. Outline the circumstances of the case and include recommendations for improvements in inventory control. If the Departmental Administrator determines the missing item was likely stolen, he or she will make a report to the University Police Department and provide the case report and documentation to Property Accounting.
    I. Complete a Stolen or Missing Equipment Form and send to Property Accounting.

Departments with a history of missing items may be required to do a semi-annual inventory until control problems are corrected. Failure to comply with equipment procedures may result in budget reductions, loss of approval to purchase equipment, and/or personnel actions to enforce inventory control.

Physical Inventory

The Fixed Asset Inventory Report is compiled for each department at least once during the fiscal year to verify that capital equipment ($5,000 and above) and LVHR equipment (under $5,000) is properly recorded in the property management system.

Property Accounting will make necessary changes to the property management system records.

Verifications

Property Accounting will verify 100% of the equipment in each department every three years. Legislative Audit performs an annual audit sampling of University property every fall. Internal Audit from the Arkansas State University System Office may also verify capital assets and LVHR equipment and confirm the applicable procedures are being followed by the University.

Conclusion

The procedures outlined herein must be followed to ensure compliance with the State of Arkansas Inventory Regulations and System and University Guidelines.

Forms and General Information

To obtain copies of the forms listed below, announcements, and other information, please visit our web site:

http://www.astate.edu/a/controller

Request for Trade-In Form– used to request that a piece of equipment be traded in for another one

Donation of Equipment Form– used to document equipment is being donated by the University to another agency

Request for Equipment Inventory Transfer Form– used to document equipment is being moved and reassigned

Request for Excess Equipment Removal or Disposal Form– used to document equipment is being physically removed and should be deleted from the property management system (Banner) or is being removed for reuse by another department or office.

Equipment Off-Campus Usage Form– used to document equipment is being used off-campus by outside schools, clinicians, etc., for educationally related purposes and/or to document that departments have off-campus offices

Missing Equipment Report– used to document equipment that has been stolen or is missing

Department Off-Campus Equipment Log – used to document equipment assigned to faculty/staff (laptops, tablets, etc.) is being used off-campus for University-related purposes

Fixed Asset Annual Property Report– used to verify that capital equipment exists and is properly recorded in the property management system (Banner)

APPENDIX A: ARKANSAS STATE UNIVERSITY - JONESBORO
COMMODITY CODES - CAPITAL

Commodity
Code	Description
04000	Capital-Animals-Farm Type
88011	Capital-Audio Visual Equipment
03114	Capital-Chilled Water System
99826	Capital-Clothing
20491	Capital-Computer Servers
91276	Capital-Construction-General
60038	Capital-Copy Machines
99838	Capital-Engineering Equipment and Supplies
02258	Capital-Farm Equipment
99840	Capital-Fertilizer
99847	Capital-Glass
15542	Capital-Greenhouses & Equipment
03106	Capital-Heating & Air Conditioning Units
42044	Capital-Institutional Furniture-All Types
49043	Capital-Laboratory Equipment
49090	Capital-Laboratory Testing Instruments
98852	Capital-Landscaping-Design, Fertilizing, Planting
62543	Capital-Laser Equipment
44592	Capital-Lawn Equipment
71505	Capital-Library-Audio Cassettes & Compact Disks
71510	Capital-Library-Books, Magazines, Periodicals, etc
71546	Capital-Library-Legal Books & Publications
71512	Capital-Library-Reference Books
42059	Capital-Lounge Furniture Upholstered
54575	Capital-Machinery & Power Equipment
99865	Capital-Machinery Industrial
49058	Capital-Microscopes-All Types
42554	Capital-Modular Furniture Panel Systems
65530	Capital-Movie Cameras
58001	Capital-Musical Instruments
49063	Capital-Natural Science Equipment
42502	Capital-Office Furniture
60002	Capital-Office Machines & Equipment
20402	Capital-Personal Computer
58060	Capital-Pianos & Accessories
65038	Capital-Playground Equipment
20476	Capital-Printers
88067	Capital-Projectors
74002	Capital-Refrigeration Equipment

04566	Capital-Refrigerators & Freezers
75077	Capital-Roads-Sand, Gravel & Asphalt
20489	Capital-Scanners and Readers
72554	Capital-Security Systems
07005	Capital-Slow Moving Vehicle
49377	Capital-Spectrophotometers
99891	Capital-Sporting and Athletic Equipment
81095	Capital-Spraying Equipment
51582	Capital-Sprinkler Systems and Parts Lawn and Turf
83079	Capital-Tanks & Cylinders
72559	Capital-Telecommunications Equipment
51583	Capital-Tree Trimming and Pruning Equipment
84067	Capital-TV Audio Video Equipment and Accessories
51585	Capital-Vacuum Cleaners
07001	Capital-Vehicles-All Types
72590	Capital-Wildlife Equipment
12067	Capital-Wildlife Trapping Nets

APPENDIX B: ARKANSAS STATE UNIVERSITY - JONESBORO
COMMODITY CODES - REPAIRS AND MAINTENANCE

Commodity

Code	Description
28760	Repairs-Electronic Equipment
52530	Book Mending, Rebinding & Repairing Supplies
58040	Musical Instrument Repair-Parts & Supplies
91006	Buildings-Carpentry Maintenance & Repair
91013	Buildings-Elevator Installation, Repair & Maint
91015	Buildings-Door Installation, Repair & Maintenance
91030	Glass Replacement Maintenance and Repair
91052	Buildings-Maintenance & Repair
91054	Buildings-Painting Maintenance & Repair
91060	Buildings-Plumbing Maintenance & Repair
91063	Public Utilities-Maintenance & Repair
91082	Buildings-Wiring & Oth Electrical Maint & Repair
92815	Vehicle Maintenance & Repair
92884	Trailer Maintenance & Repair
92917	Automotive Shop Equipment Maintenance & Repair
93107	Household Appliances Equipment Maint & Repair
93606	Awards, Trophies, Collectibles, etc Maint & Repair
93609	Alarm Equipment Maintenance & Repair
93648	Industrial Equipment Maintenance & Repair
93652	Luggage Handbags Purses Maintenance and Repair
93657	Police Equipment Maintenance & Repair
93673	Security & Access Systems Maintenance & Repair
93863	Laboratory Equipment/Accessories Maint & Repair
93881	Scientific Equipment Maintenance & Repair
93906	Audio Visual Equipment Maintenance & Repair
93921	Computers Maintenance & Repair
93927	Copy Machine Maintenance & Repair
93937	Electronic Equipment Maintenance & Repair
93954	Microfilm & Microfiche Equipment Maint & Repair
93959	Office Equipment Maintenance & Repair
93960	Office Machines Maintenance & Repair
93977	Sound Equipment Maintenance & Repair
93987	Typewriter Maintenance & Repair
95951	Marine Equipment Maintenance & Repair