



---

**HEALTH SCIENCE CENTER**  
TEXAS A & M UNIVERSITY

**Property Management**  
**Procedures Manual**

Updated November 2013

**Texas A&M University Health Science Center**  
**Office of Finance and Administration**

This page left intentionally blank.

## Table of Contents

<b>Introduction</b> .....	5
Property Resources & Training.....	6
<b>Chapter 1 - Delegation of Responsibility</b> .....	7
Head of State Agency Responsibilities.....	8
Property Manager Responsibilities.....	8
Accountable Property Officers (APO)/Dept Head.....	8
Alternate Accountable Property Officers (Alt APO).....	10
Employee Responsibilities.....	11
Liability for Property Loss.....	12
<b>Chapter 2 - Property Reporting Requirements</b> .....	14
Property Reporting Requirements.....	15
Annual Inventory Certification.....	15
Spot Checks.....	19
<b>Chapter 3 - Inventory Items &amp; Coding</b> .....	20
What to Inventory & Inventory Thresholds.....	21
How Inventory Gets Into FAMIS FFX.....	23
Object Codes & Class Codes.....	24
Property Control Codes.....	26
Preliminary Fixed Assets - FRS Screen 362.....	30
<b>Chapter 4 - Property Labeling</b> .....	37
FAMIS Assigned Inventory Numbers.....	38
Manual Requests for Inventory Numbers.....	39
Tagging the Equipment - "Ten-Day Rule".....	39
<b>Chapter 5 - Property Acquisitions</b> .....	42
Acquisitions (New Purchases).....	43
Additions & Replacements.....	43
Constructed (Fabricated) Property.....	46
Gifts and Donations.....	49

Joint Purchases between A&M System Members.....	51
<b>Chapter 6 - Property Dispositions.....</b>	<b>53</b>
Dismantled Equipment.....	55
Damaged or Destroyed Property.....	55
Obsolete Property.....	56
Missing or Stolen Property.....	56
Recovered Property.....	58
Returned Items.....	59
Special Sales.....	59
Trade-Ins.....	60
<b>Chapter 7 - Property Transfers.....</b>	<b>62</b>
Transfers between HSC Departments (does not include HSC Surplus).....	64
Transfer of Computer Equipment.....	64
Transfers to the HSC Surplus Office.....	65
Transfers from HSC Surplus to HSC Departments.....	66
Transfers between Texas A&M System Members.....	66
Transfers between Texas State Agencies Outside of the Texas A&M System.....	67
<b>Chapter 8 - Misc Property Information.....</b>	<b>68</b>
Broken, Obsolete, Idle Equipment.....	69
Found Items that should be Inventoried.....	69
Loan of Property.....	69
Relocated Property.....	71
Software.....	71
Trust Property.....	72
How to Update FAMIS FFX/Canopy.....	73
<b>Chapter 9 - Property Forms.....</b>	<b>78</b>
Property Information.....	80
Report of Missing or Stolen Property.....	81
Certification of Annual Inventory.....	82
Loan of Health Science Center Property.....	83
Property Transfers.....	84
Data Disposal Certification.....	85
Property Additions & Deletions.....	86
FD-860-Department Information, Designation & Authority.....	87

## ***Introduction***

The purpose of this manual is to set forth the overall departmental procedures for property management within The Texas A&M University Health Science Center (HSC). It is targeted for individuals in departments whose job it is to perform property/inventory management functions. It must be used in conjunction with the following manuals:

### **The Texas A&M University System Asset Management Manual**

<http://www.tamus.edu/offices/budget-acct/acct/assets>

### **State Property Accounting Process User's Guide**

<https://fm.xcpa.state.tx.us/fmx/spa/index.php>

In the event that this manual or *The Texas A&M University System Asset Management Manual* are in conflict with the State Comptroller manuals or rules, the State Comptroller guidelines shall prevail.

## **HSC Property Management**

Phone: 979-436-9230

Fax: 979-436-0075

<http://www.tamhsc.edu/departments/finance-admin/inventory-mgmt.html>

Mail stop 1361

## **HSC Surplus Office (TSRPL)**

Phone: 979-436-9231

Fax: 979-436-0075

Mail stop 1361

*Note: There can be exceptions, depending on circumstances, to some information in this manual. This includes completion of property forms.*

*If you have questions or concerns, please contact HSC Property Management.*

## ***Property Resources***

Use the following additional resources for property related matters:

**Expense Object Codes for the HSC**  
<http://apps.system.tamus.edu/objcodes>

**FAMIS Departmental Fixed Assets User's Manual**  
<http://www.tamus.edu/offices/famis/usermanuals>

## ***Property Training***

To aid departments in their property management efforts, HSC Property Management offers the following training courses:  
Contact HSC Property Management to schedule.

### **HSC Property Procedures**

This training is required for HSC Alternate Accountable Property Officers (Alt APOs). It is also recommended for others in the department who assist the Alt APO with property responsibilities. This training explains the property officer's responsibilities in performing the annual inventory certification, completing property forms, surplus process, etc. It also includes training for the Fixed Assets module of FAMIS and Canopy for asset inquiries and updates.

### **Preliminary Fixed Asset Entry**

For anyone who inputs preliminary asset information on the purchasing document into FAMIS, you can request individual training or use the instructions provided in this manual. They explain how to enter inventory information into FAMIS at the departmental level before an invoice gets paid using FRS screens 360-362.

# Chapter 1

## Delegation of Responsibility



## ***Delegation of Responsibility***

### **Head of a State Agency Responsibilities**

According to the *Texas A&M University System Asset Management Manual*, the HSC President is ultimately responsible for the custody and care of all equipment at the HSC. The **President** shall ensure that the HSC maintains adequate inventory controls on personal property and trust property. The President designates a Property Manager to handle these activities and informs the State Comptroller's Office of the appointment.

### **Property Manager Responsibilities**

According to the *Texas A&M University System Asset Management Manual*, HSC's **Property Manager** "is responsible for the overall equipment management for the Member, including maintenance and control of the central inventory records." In other words, the HSC Property Manager is responsible for all business processes related to the agency's equipment management.

At HSC, the Office of Finance and Administration employs the Property Manager.

The goal of HSC Property Management is to foster and enable compliance among HSC departments on all Federal, State, System, and HSC regulations and policies related to all business processes of property management.

### **Accountable Property Officers (APO)/Department Head Responsibilities**

At HSC, each Department Head is normally the **Accountable Property Officer** (APO) for his/her department. According to the *Texas A&M University System Asset Management Manual*, "APOs are responsible for the physical possession and control of all equipment entrusted to their activities." Thus, the Department Head is ultimately responsible for all property in his/her department.

The Department Head is responsible for the following:

- Physical possession and control of all equipment entrusted to the activities within his/her department.

- Appointment of a responsible Alternate Accountable Property Officer (Alt APO), and timely notification to the HSC Property Manager of any Alt APO changes.
- Verifying that all Alt APOs have attended HSC Property Procedures training and FAMIS training.
- Ensuring that all dept employees are trained such that each has an awareness of their respective responsibilities for property processing and/or custodianship.
- Establishment and maintenance of property records for his/her department.
- Establishment of inventory management procedures within his/her department in compliance with all applicable state regulations, System policies, HSC procedures.
- Timely transfer of equipment that is no longer needed within the department to HSC Surplus.
- Timely notification and report of missing or stolen property to the HSC Property Manager.
- Physical verification and certification of current inventory on an annual basis.
- Management of equipment that is assigned or on loan at a location outside the department.
- Physical verification of assets assigned to terminating employees to ensure proper reassignment, transfer, or disposal of all pertinent inventory.

### *Distribution of Agency Procedures*

The Department Head is responsible for ensuring that employees are aware of their responsibilities for property.

According to the *Texas A&M University System Asset Management Manual*, “Accountable Property Officers are also responsible for ensuring employees are aware of their responsibilities for property.” They should develop procedures in their department to ensure that all employees are aware of their responsibilities. The Department Head must also make certain that each Alt APO has attended *HSC Property Procedures Training* offered by HSC Property Management.

### *Change in Department Head (APO)*

Follow these procedures whenever there is a change in Department Head:

1. The department is required to submit the following form to The HSC Office of Finance and Administration (scan into Laserfiche 9.0 Property Management Inbox):
  - *FD-860 –Department Information, Designations, and Authority*

2. HSC Property Management recommends the following optional procedure:
  - Have a physical inventory performed to ensure continual care of property and assign specific accountability for personal property.

### **Alternate Accountable Property Officer (Alt APO)**

The Department Head may designate an **Alt APO** to perform daily property activities, but this does not relieve the Department Head of any responsibility. The Alt APOs will only be responsible for exercising “reasonable care” and will not be held ultimately responsible for the department’s equipment. The Alt APO is the Department Head’s right-hand person for handling property management issues. Others may assist the Alt APO in property management efforts, but HSC Property Management will use the Alt APO as the department’s primary property contact.

The Alt APO may sign the following property forms: *Certification of Annual Inventory*, *Loan of HSC Property*, *Property Transfer*, and the *Property Additions and Deletions*. The Alt APO may NOT sign the *Missing or Stolen Property* form. Only the dept head can sign this form.

The Alt APO is responsible for the following:

- Assisting the Department Head in the execution of daily/ongoing property management functions for their department.
- Coordinating the training of all employees within the department to ensure awareness of their respective responsibilities for property processing and/or custodianship.
- Ongoing maintenance of property records for the department.
- Ongoing application of inventory management procedures within the department in compliance with all applicable state regulations, System policies, and HSC procedures.
- Ensuring timely documentation preparation and transfer of equipment that is no longer needed within the department.
- Coordination with the Department Head and end user to ensure the timely notification and report of missing or stolen property to the HSC Property Manager.
- Coordination of the physical verification and certification of current inventory on an annual basis (each fiscal year).
- Coordinate tracking and management of equipment that is assigned or on loan at a location outside the department.

- Ensure physical verification of assets assigned to terminating end users to ensure property reassignment, transfer, or disposal of all pertinent inventory.

### *Change in Alt APO*

Follow these procedures if there is a change in an Alt APO:

1. The department is required to submit the following form to the Office of Finance and Administration (scan into Laserfiche 9.0 Property Management Inbox):
  - *FD-860 Department Information, Designations, and Authority*
2. All Alt APOs are required to attend *HSC Property Procedures Training*. The departments should maintain certificates in their files to verify that they have met their training requirement.
  - *HSC Property Procedures Training* explains the Alt APOs responsibilities. Alt APOs should contact Property Management to sign up for this training based on the *FD-860* submitted.
  - The Alt APO should request FAMIS access by completing the *FAMIS Access Request* form.

### **Employee Responsibilities**

The Alt APO is responsible for making sure employees within their department are aware of their responsibilities when using State of Texas property.

According to the *Texas A&M University System Asset Management Manual*, each state employee is responsible for using state equipment only for state purposes and to exercise “reasonable care” for its safekeeping. At no time should state property be used for personal gain.

### ***Liability for Property Loss***

All HSC employees are liable for the State of Texas property that they use.

According to the *Texas A&M University System Asset Management Manual*, Department Heads/Accountable Property Officers “are under financial liability for the loss or damage to items under their control if the loss or damage results

from their negligence, intentional act, or failure to exercise reasonable care to safeguard, maintain, and service the items.”

According to the *State Property Accounting Process User's Guide*,

“**Reasonable care**” means that steps have been taken to ensure:

- acceptable upkeep and maintenance of the asset,
- security of the asset,
- the asset can be located at all times, and
- documentation is retained specifying the person responsible for the asset.

An example of negligence and not exercising reasonable care is as follows: An employee, checks out a laptop computer from his department to do additional work at home. He puts the computer in the passenger seat of his car and leaves work. He stops at a convenience store to buy a soda. He locks his car, but someone steals the computer. Who is liable?

The employee would be liable. He did not exercise reasonable care. He left the computer in plain view. If he had locked the computer in his trunk (out of sight), he would not be liable.

## ***Communication***

The HSC Property Manager and Alt APO should form good working relations and procedures with each of the following individuals:

- **Purchaser.** Individuals purchasing equipment should always inform the Alt APO of any inventory purchase so that proper procedures are followed concerning tagging of equipment, object coding, etc.
- **Departmental Creator.** It is critical that individuals who create purchase documents in FAMIS are aware of items considered controlled and capital. The document creator begins the process of ensuring that the appropriate items get placed on inventory by simply identifying them with the correct object code at the time of FAMIS entry.
- **Preliminary Asset Enterer** (may be the same person as the Creator and/or Alt APO)

It is important that the individual who enters preliminary asset data into FAMIS communicates with the Alt APO to ensure that all inventory information gets entered at the department level. This includes description, serial number, location, etc.

- **Faculty.** Faculty members, like all other employees, utilize state equipment to do their jobs. Be sure to give them instructions on the rules and regulations for handling State of Texas property. Meet with every faculty member at the beginning and ending of employment to discuss the importance of inventory management, what they are bringing in, taking out, equipment procedures, maintenance agreements, etc.
- **Computer Personnel (Office of Information Technology)**  
Since computer equipment moves from person to person so frequently, the Alt APO should establish close relationships and procedures with computer personnel. The Alt APO should also educate them on surplus procedures and the importance of keeping the location information updated in FAMIS at all times
- **Receivers.** The individuals who receive equipment should always notify the Alt APO the day it arrives so that it may be permanently marked within 10 calendar days upon receipt.
- **End Users.** End users should know who the Alt APO is in a department. They should know the dos and don'ts for handling State of Texas property, along with any inventory procedures set by the department. Alt APOs should consider meeting with every individual who resides in the department. This provides an opportunity to do transfer forms, if necessary, or find equipment the person has moved.

## **Chapter 2**

# **Property Reporting Requirements**

## ***Property Reporting Requirements***



At HSC, the information departments and HSC Property Management enter into FAMIS is used to create the financial reports for many requestors. It is crucial that all information in FAMIS concerning property is correct at all times.

HSC must maintain a detailed property listing in FAMIS for audit purposes, federal regulations and other regulatory requirements.

As an institution of higher education, the HSC is no longer required to report inventory in detail, only summary reports of the agency's inventory using reports generated from **FAMIS**, the accounting system used at the HSC (and most Members of The Texas A&M University System). Class codes used on equipment, for example, tell the types of assets owned by the HSC. The condition codes tell the current condition of the assets (e.g. excellent or poor). It is important that the departments keep all property information current in FAMIS so the reports are accurate.

### **Department Property Management Goal**

Each department should have property management controls in place to ensure that all assets can be accounted for and accurate location data is in FAMIS at all times. All assets must be reviewed at least annually.

## **HSC Annual Inventory Certification**

### **Certification Date**

Each department must conduct a physical inventory annually and submit a report to HSC Property Management. Meeting the inventory deadline is crucial so the HSC can comply with the State Comptroller deadline.

HSC conducts annual physical inventory throughout the fiscal year using a barcode system. Depts are allowed to choose the time of the year which works best for inventory certification.

### **Conducting the Physical Inventory**

The State Property Accounting Office recommends that a team of two or more responsible individuals who have no normal responsibilities for the reporting of personal property conduct the physical inventory. Make arrangements to permit

orderly and thorough physical inventories with minimal disruption of normal activities. Also, make arrangements for sensitive equipment requiring special handling or in secure locations to have the custodian present during the physical inventory.

The team should **physically locate every** piece of equipment. Items that have been loaned to a school district or hospital, etc need to be physically seen every year also. If this is not possible, for example if the equipment is in the ocean, then the custodian of the equipment should sign a statement verifying the equipment information. If an employee is using a computer at home, then it is recommended that the individual write down the serial number and HSC asset number to bring to the departmental inventory team.

Inventory includes *all* inventory items for a department, not simply those included on the inventory lists provided by HSC Property Management.

It is important to note that inventory includes *all* inventory items for a department, not simply those included on the inventory listing provided by HSC Property Management. Therefore, when performing the physical inventory, if the team finds property that should be on the inventory but is not, then they should follow procedures for adding the items on the inventory.

## Inventory Method

Departments must verify the inventory by using the TBAR004 inventory listing in conjunction with the barcode scanner. The report is loaded into the barcode scanner. Follow these procedures to verify the inventory:

1. Scan the barcode label using the scanner and compare the asset's actual information with the scanner's information. As the team conducts the certification, they should always verify the information listed below. The accuracy of this information is crucial for HSC's reporting of inventory.
  - **Asset Number** - Ensure that all equipment is tagged properly and that the tag number on the equipment fits the description on the inventory list.
  - **Asset Description** - The first word in the descriptions should be the asset type (i.e., computer, printer, microscope, etc).
  - **Serial Number** - Verify the accuracy of all serial numbers. The serial number is an extremely important piece of information because it is a unique identifier.

- **Model Number** - Verify that the model number on the list matches the number on the equipment.
  - **Location** (includes building, room, and other location) – Verify the location and make any necessary changes.
  - **Condition** – Evaluate the condition of the property.
2. If all information is correct, choose ‘correct’ on the scanner and continue to the next asset.
  3. If changes need to be made to the information, choose ‘change’ on the scanner. Delete the incorrect information and type in the correction information. Be sure to ‘save’ the changes. Once saved, go to the next asset.
  4. HSC Property Mgmt will load the ‘correct’ assets and all ‘changes’ from the barcode scanner into FAMIS FFX for the departments. No updates to FAMIS FFX or Canopy are needed by the department.
  5. Return the *Certification of Annual Inventory*, barcode scanner and scanner accessories to HSC Property Mgmt upon completion. Be sure to keep a copy of the certification for your records.
  6. List all items not found on the *Certification of Annual Inventory* and any additional paperwork necessary to remove items not found from inventory or provide explanations for the reason the asset was not located.

## Documenting the Physical Inventory

Upon completion of the physical inventory, the department is required to submit a certification to HSC Property Management using the *Certification of Annual Inventory* (see *Appendix A* for sample forms and the URL for forms.).

During the physical inventory, there may be items that either do or do not appear on the inventory listing that should/should not appear. All discrepancies like this must be noted on the *Certification of Annual Inventory*:

- *Transfers* - For items that are not located due to a transfer that has not been recorded, list the asset and attach a copy of the *Property Transfers* form signed by both departments.
- *New additions* - List any assets that were acquired after the TBAR004 report was sent to the department.
- *Missing/Stolen assets* - List each missing/stolen item. Complete and attach the *Report of Missing or Stolen Property* form, **unless this form was submitted in a previous fiscal year**, then just list it as still missing.
- *Recovered assets* - These include assets previously recorded as missing or stolen, even if they have been deleted from inventory, that have now been

located. If assets are recovered, list each item. Complete the bottom of the original *Report of Missing or Stolen Property* form and submit it with the *Certification of Annual Inventory*.

- *Non-inventoried property that should be inventoried* - If property is located that is not on the inventory listing but should be, list the items. Submit the *Property Additions and Deletions* form and *Property Information Sheet*.
- *Removals* - If an asset that should have been removed from the inventory is showing on the inventory listing, then complete the proper paperwork to dispose the asset. Complete the paperwork that matches the type of transaction that occurred. A common situation is when inventory items are returned to the vendor, but not taken off of the department's inventory. The proper procedure here would be to submit the *Property Additions and Deletions* form to HSC Property Management.

### **What to Turn In to HSC Property Management**

Upon completion of the physical inventory, the department should turn in the following to HSC Property Management:

1. *Certification of Annual Inventory* signed by the Department Head or Alt APO.
2. The barcode scanner and all scanner accessories.
3. If any items should not be on the inventory listing, then complete the proper paperwork to remove the item from inventory.
4. If any items are found that should be inventoried and are not on the inventory listing, then complete the proper paperwork to add them to the inventory.

### **Past Due Certification Procedures**

Meeting the departmental deadline is critical so that HSC can meet the deadline set by the State Comptroller's Office.

*Extensions are not typically granted after August 31<sup>st</sup>* since HSC Property Management must submit the entire agency's inventory report to the State Comptroller's Office no later than 20 days after the last day of the fiscal year.

If HSC Property Management does not receive the department's inventory certification by the original due date, then they will contact the department's property officer to inquire as to the status of the inventory. HSC Property Management may grant an extension. If HSC Property Management does not receive the certification by the extended due date, then the department head will be contacted.

If HSC Property Management does not receive the certification within one week of the date contacting the dept head, then HSC Property Management will notify the HSC Vice President for Finance and Administration.

### **Spot Checks**

HSC Property Management will perform spot check audits of HSC departments. During the spot check, some of the things they will verify include serial numbers and room numbers. They will also ensure that each asset is permanently marked with the correct asset number.

After the audit is completed, either HSC Property Management or the Alt APO will make corrections into FAMIS. The HSC Property Manager will send a conclusive report to the Department Head and/or Alt APO.

### **Securing of Assets and Departmental Audits**

According to the *State Property Accounting Process User's Guide (June 2004)*, "Each agency is responsible for ensuring that property is tracked and secured in the manner that is most likely to prevent the theft, loss, damage or misuse. The agency must take all necessary precautions to ensure that property is secured.

Agencies must know at all times where all property under their control is located, should have a method for locating any inventory item whether on-site or off-site and should be able to locate a given item upon request."

## **Chapter 3**

# **Inventory Items and Coding**

## ***What to Inventory***

**Inventory** is an itemized list of equipment for which a department is held accountable. All items that meet the *capital or controlled requirements* (regardless of the source of funds) must be reported as inventory. Therefore, these rules apply not just to State funded equipment but all equipment purchased by or donated to HSC.

**Capital equipment** has a single unit value of \$5,000 or more and a useful life of more than one year. Capital equipment is inventoried. It is also depreciated over its estimated useful life. Capital items include all personal property that meet the above criteria. Real property has capitalization thresholds assigned by category.

Certain property that does not meet the capitalization threshold of \$5,000 must also be inventoried. This group of assets is called **controlled equipment**. These items must be inventoried and tracked due to their high-risk nature. The specified "controlled" items cost between \$500.00 and \$4,999.99. Computers, tablets, smartphones, projectors, portable cameras, TVs, DVD players, VCR's, camcorders and sound systems are the controlled categories. This group of items is inventoried but not depreciated. Printers are NO longer considered controlled inventory by the State Comptroller's Office as of Sept. 1, 2013.

Non-inventory property is all equipment that does not meet the capital or controlled requirements. This property is not assigned asset #'s and is not certified by the departments.

An asset's value should include all costs required to place the asset into service, such as freight, installation, and other related expenditures incurred. Warranties and maintenance agreements should be **excluded** from this value if they are separately itemized on the invoice.

**Additions** to existing personal property that become a part of the asset and meet the capital or controlled threshold within a fiscal year should be recorded as an addition of value to the existing asset.

**Replacement part** purchases must meet the **capital** threshold within the fiscal year to be added to the value to an existing asset. If a replacement does not meet the capitalization threshold of \$5,000, it is considered non-inventory and the value will not be added to the existing asset.

**Always inventory the following:**

- Capital and controlled personal property
  - Capital items - Equipment that cost \$5,000 or more.
  - Controlled items - Specific equipment that costs between \$500 and \$4,999.99.
- Additions, may be cumulative within a fiscal year, that meet the class code threshold within a fiscal year.
- Costs required to putting the inventory item into service (e.g. freight, installation, labor, etc.).
- Constructed equipment that either meets the capitalization threshold or will be considered a controlled item.

**Do not inventory the following:**

- Expenditures that are not required to place the item into service.
- Replacement parts unless they meet the capital threshold.
- Extended warranties should not be included in the asset cost. They are considered an optional purchase and are not necessary to put the asset into service. Maintenance and repair object codes should be used for them.
- Maintenance agreements. These are expenses, so maintenance and repair object codes should be used for them.

**The following thresholds apply to HSC property:**

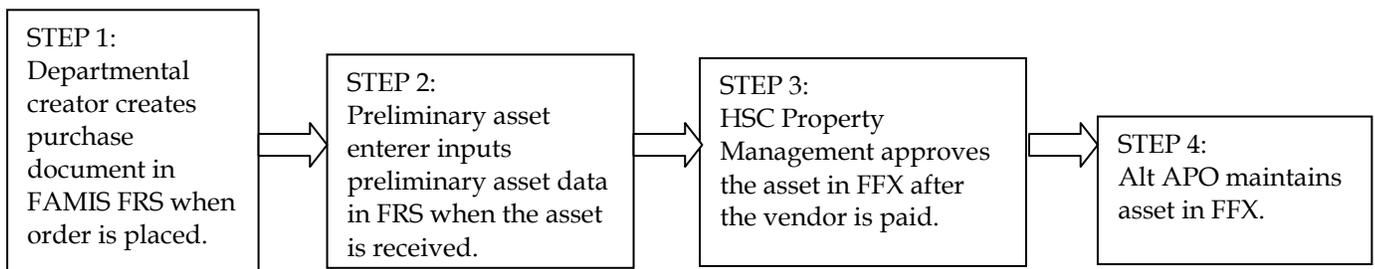
<b>Asset Category</b>	<b>Threshold</b>
Land/land improvements	Capitalize All
Buildings/building improvements	\$100,000
Facilities & other improvements	\$100,000
Infrastructure	\$500,000
Capital Personal property (equipment)	\$5,000
Controlled Personal property (equipment)	\$500
Library books/materials (collections)	\$5,000
Works of art/historical treasures	Capitalize All
Software developed for internal use/purchased software	\$1,000,000/\$100,000
Leasehold improvements	\$100,000

## How Inventory Gets Into FAMIS FFX

FAMIS (Financial Accounting Management Information System) is the official accounting system at the HSC. The **Fixed Asset System (FFX)** of FAMIS houses all official property information and is used to generate state property reports. The **Financial Record System (FRS)** of FAMIS houses all financial accounting information. Some situations require that HSC Property Management create an asset in FAMIS, including gifts, while others require the department to do so, including purchases entered into FAMIS by the department. Either way, once the asset is approved, the department should maintain it in FAMIS by using the FAMIS FFX System or the online version of FAMIS, known as Canopy. FFX access is the same in FAMIS and online in Canopy. The Alt APO should request FAMIS/Canopy access by completing the *FAMIS Access Request* form.

Figure 3-1 illustrates how inventory information gets into FAMIS if the purchase is processed on-line by the department.

**Figure 3-1:** Inputting Inventory Information into FAMIS for On-Line Purchases



In Figure 3-1, three individuals input inventory information into FAMIS after the departmental creator creates the purchase document in Step 1. They are the following:

- A. The department's preliminary asset enterer, usually the same person as the departmental creator (Step 2)
- B. HSC Property Management (Step 3)
- C. The department's Alt APO (Step 4)

At HSC, when purchasing an inventory item, the **departmental creator** creates a purchasing document in FAMIS. The departmental creator is the individual in the department responsible for inputting purchasing document information into FAMIS. For inventory purchases, the **preliminary asset enterer**, who is the individual in the department responsible for inputting preliminary asset data, inputs the data. **Preliminary asset data** is all of the pertinent information related to the property management of the item. This includes serial number, room number, name of user, acquisition date, etc. For all capital and controlled items,

preliminary asset data is required to pay the invoice. In many departments, the preliminary asset enterer and departmental creator are the same person.

Once FAMIS pays the invoice, the preliminary asset data electronically feeds from FAMIS FRS to FAMIS FFX and the asset status changes from preliminary to pending. HSC Property Management will verify the pending asset and approve it, which makes it an official property record.

Once HSC Property Management approves the asset, the Alt APO must maintain asset data, such as location information, by using FAMIS FFX Screen 535 or Canopy using the asset search and edit feature.

Throughout the process, the asset incurs a different status at each stage. They are defined below:

**Preliminary Asset Status** – When using the on-line purchasing module, the preliminary asset enterer creates preliminary assets in FAMIS FRS when the asset is received. Preliminary assets do not have any official status, as they have not been paid.

**P = Pending Asset Status** – Pending assets are created when FAMIS generates a voucher for payment of the asset. Preliminary asset information automatically feeds from FRS into FFX. HSC Property Management may also create pending assets by directly entering them into FFX.

**A = Approved Asset Status** – Approved assets are ones officially recognized by HSC. An asset becomes approved after HSC Property Management audits and approves it in FAMIS.

**D = Disposed Asset Status** – When an asset is no longer of use to a department, they may dispose of it. HSC Property Mgmt must be contacted to dispose HSC property. Once all procedures are followed, HSC Property Management will officially dispose of the asset in FAMIS FFX.

## **Coding Assets**

### ***Object Codes***

**Object Codes** are four-digit expenditure codes that are used to identify specific items on a purchase document. They are sometimes referred to as subcodes. These codes compile information about specific purchases, which are used in various administrative and state reports.

HSC keeps track of inventory in FAMIS by using object codes. **When inputting purchase information into FAMIS, the proper coding of assets is extremely important.** For example, if the departmental creator uses a non-inventory code for an inventory item, then this could keep the asset from being placed on inventory. The inventory object codes fall into these ranges, controlled assets: 5775-5799 and capitalized assets: 8000-8999. Figure 3-2 illustrates a few capital inventory object codes. Using Figure 3-2, if someone purchased a computer over \$5,000, then the object code to use on the purchase document would be **8435 - Computer Equipment**.

**Figure 3-2:** Sample of Capital Inventory Object Codes

8421 Office Furnishings and Equipment, \$5,000+
8422 Medical, Scientific, and Lab Equipment, \$5,000+
8435 Computer Equipment, \$5,000+
8445 Telecommunications Equipment, \$5,000+

*Get a complete listing of object codes using FAMIS FRS Screen 806.*

In Figure 3-1, Step 1, when the departmental creator creates the purchase document, he/she must use the correct inventory object code. This will force the department to input preliminary asset data, ensuring that the item does get added to the department's inventory. If the departmental creator fails to use an inventory object code, then there will be no way for the department to input preliminary asset data into FAMIS. This could cause numerous problems. **Therefore, it is crucial that the Alt APO, departmental creators and preliminary asset enterers understand which purchase items to inventory and what to code them.**

### ***Class Codes***

An asset **class** is a group of similar assets, as designated for accounting and property control purposes. To further break down the object code for inventory items, HSC uses **class codes**. Class codes tell the State of Texas exactly what kind of equipment HSC is utilizing. Also, class codes are used for calculating depreciation for capitalized assets. In Figure 3-1, Step 2, when the preliminary asset enterer inputs inventory data into FAMIS FRS Screen 362, he/she must input the correct class code.

The class codes are six-digit numbers (e.g. 843502). The first four digits of a class code identify the object code used on the purchase document by the departmental creator. The last two digits are a further breakdown of the object

code with additional detail. Figure 3-3 illustrates class codes for capitalized computers.

**Figure 3-3: Class Codes for Capitalized Computers**

843501 Servers/Minicomputers, \$5,000+
843502 Computer-Desktop - Not Apple, \$5,000+
843503 Computer-Desktop - Apple, \$5,000+
843504 Computer-Portable/Laptop/Handheld - Not Apple, \$5,000+
843505 Computer-Portable/Laptop/Handheld - Apple, \$5,000+

*Get a complete listing of class codes using FAMIS FFX Screen 581.*

Using Figures 3-2 and 3-3, if someone purchased a non-Apple desktop computer (such as a Dell) over \$5,000, then the object code to use on the purchase document would be **8435: Computer Equipment** and the class code on the preliminary asset would be **843502: Computer-Desktop Not Apple**.

The preliminary asset enterer inputs all inventory information for the asset on FAMIS FRS Screen 362. This screen is where the department gets the opportunity to tell HSC Property Management about specifics of the asset purchased. Figure 3-4 shows pages one and two of FRS Screen 362. In order to complete this screen, the enterer will need to know information such as the serial number, model number, manufacturer (not always the same as vendor), room number and building where the asset will reside, and name of user. This detailed information is obtained from multiple sources, including the purchaser, the Alt APO, the invoice, and the equipment.

### ***Property Control Codes***

Other codes used for state reporting and control purposes include the following:

*Get a listing of these codes by using the help features (F2 key) in FAMIS.*

- **Building Codes** – This defines in which building the property is located. Most buildings at HSC are numbered. By keeping the building codes updated on equipment, it will be easier for the Alt APO to locate assets during the annual physical inventory certification.
- **Purpose Codes** – Identifies the function of the asset, for example, research, admin use, instruction, etc. See code options in the table below.

**Purpose Codes**

Code	Description
AD	Administrative
AG	Agricultural Services Building
AX	Auxiliary Enterprises
FR	Residence, Family - Apartments
GN	General
IN	Instruction
LB	Library
MT	Maintenance
NI	Non-Institutional Agency Building
PP	Physical Plant
PS	Public Service
RE	Research
RP	Rental Property - For Profit
SR	Residence, Single - Dorms

- **Availability Codes** - This indicates whether the asset is in use, available for use, or not usable. For example, laptop availability codes can be changed if it is available for use at the office or if it is being loaned to someone. See code options in the table below.

**Availability Codes**

Code	Description	Comments
AV	Available, but not idle	Available for use
BLANK	Undetermined	Try to avoid using this code
EX	Excess Property	Transfer to Surplus
LN	On Loan to Another Department	Document the loan in writing
MS	Missing - Unable to Locate	Notify HSC Property Mgmt
RE	Restricted - Single Purpose	
SH	Shareable - Upon Request	Available for loan
ST	Stolen	Notify HSC Property Mgmt and send police report
US	In Use Full Time	<b>Routine code for new purchases</b>

- **Condition Codes** - This defines the condition of the assets, for example, excellent, good, poor, etc. The Alt APO can look in FAMIS and know the condition of an asset at any time. See code options in table below.

**Condition Codes**

Code	Description	Definition	Comments
MH	Missing - Hold for Deletion		Assigned by HSC Property Manager
MN	Missing - Negligence		
N1	New - Excellent	<b>NOTE:</b> Codes N1-N4 are not used. Per State Auditor's office, "once an item is placed in service - it is considered <u>used</u> . Therefore, code <b>O1</b> should be used for new purchases."	
N2	New - Good		
N3	New - Fair		
N4	New - Poor		
O1	Used - Usable Without Repair - Excellent	Property that has been slightly or moderately used, no repairs required, and still in excellent condition.	<b>Routine code for new purchases</b>
O2	Used - Usable Without Repair - Good	Used property, more worn than O1, but still in good condition with considerable use left before any important repairs would be required.	
O3	Used - Usable Without Repair - Fair	Used property which is still in fair condition and usable without repairs; however, somewhat deteriorated, with some parts (or portion) worn and should be replaced.	
O4	Used - Usable Without Repair - Poor	Used property which is still usable without repairs but is in poor condition and undependable or uneconomical to use. Parts are badly worn and deteriorated.	
R1	Used - Repair Required - Excellent	Used property, still in excellent condition, but minor repairs required (estimated repairs would cost no more than 10% of acquisition cost.	
R2	Used - Repair Required - Good	Used property in good condition but considerable repairs required. Estimated repair cost of repairs would be 11% to 25% of acquisition cost.	
R3	Used - Repair Required - Fair	Used property, in fair condition, but extensive repairs required. Estimated repair costs would be from 26% to 40% of acquisition cost.	
R4	Used - Repair Required - Poor	Used property, in poor condition, and requiring major repairs. Badly worn, and would still be in doubtful condition of dependability and uneconomical to use if repaired. Estimated repair costs from 41% to 65% of acquisition cost.	
ST	Stolen - Request now		
UC	Under Construction		

- **Restriction Codes** – This identifies any restrictions placed on the use/ownership of the asset. For example, some gifts of property to HSC have restrictions placed on them for tax purposes. See code options in the table below.

**Restriction Codes**

Code	Description
A	Equipment through Texas Surplus - Acquisition date+18 months
B	Right to reclaim/transfer-fund agency
C	Title stays with fund agency (federal/private)
D	Research sales receipts to be deposited to NSF equipment sale
E	Sale receipts to return to federal government
F	Exempt property-use on federal fund project
G	Retain & reimburse federal govt by % funded by federal govt based on market value
I	No restrictions - <b>Routine code for new purchases</b>
J	Retain equipment 10 years under federal grant
K	Equipment to be used for water research programs
L	Equipment to be used for health reasons
O	Other
R	Research only (per funding agency)
T	Teaching only (per funding agency)
X	Gift > \$5000; if disposed of in less than acquired date +2 years, submit IRS form# 8282

**Figure 3-4:** FAMIS FRS Screen 362 consists of two pages.

Below is what Page One looks like.

```

+-----+
362 Preliminary Fixed Asset Data
Screen: _____ Doc: _____ Doc Seq: ____ Delete Asset?: _
                                           Page: 1 <More>>>>
Tag Number: _____ Add to Existing Asset: _ Cmp: _
Asset Description: _____
                Line 2: _____
                Total cost: _____

Manufacturer Name: _____
                Model Number: _____ Serial Number: _____

                Class: _____
                Acquisition Dt: _____ In-Service Dt: _____
                                Condition: __
                Availability: __ How Tagged: __
                Related Asset: _____ Software Version: _____
Historical Indicator: __ Depreciation Indicator: __

                                           Special License: __
                                           Exposure Code: __

Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
                Hmenu Help EHelp                Accts Left Right
+-----+
    
```

On Screen 362 page 1, pay special attention to the following fields:

*Tag Number:* FAMIS will assign a ten-digit number to the asset. Write this number on an asset tag label (blank ones provided by HSC Property Management). Place the label on the equipment. A barcode label will be sent to the dept after FAMIS month-end close. **Remember, assets must get tagged within 10 calendar days of receipt with the following information:**

- **10-digit tag number**
- **Property of TAMUS HSC - 709**

*Asset Description:* You need to change the description that defaults in. **The description needs to be changed to follow this standard:** asset type comma space manufacturer space model number (ex. Laptop, Apple PowerBook G4). The description needs to be concise, thus making it easier for all users to identify items on inventory reports.

*Line 2:* Use the 2<sup>nd</sup> line of the asset description if you need to input additional information. Make sure to remove system-generated descriptions that do not add value.

*Total Cost:* This needs to be the full price paid for the asset, including invoice price, freight charges, handling and storage charges, installation charges, testing and preparation for uses charges, etc. Do not include extended warranties or maintenance agreements, if separately itemized on the invoice.

*Manufacturer:* Complete with the name of the manufacturer. Remember that this is not always the same as the vendor.

*Model number:* Important field to accurately complete.

*Serial Number:* This is extremely important information because it is a unique identifier. Please verify the serial number by inspecting the actual equipment instead of just the invoice, whenever possible.

*Class:* An asset class is a group of similar assets. Assets that belong to the same class code typically share certain characteristics, such as the number of years over which depreciation is calculated. Class codes are six-digit numbers (e.g. 843502). The first four digits of a class code are the object code used on the purchase document. The last two digits are a further breakdown of the object code. A "?" or "F2" key on the class field on Screen 362 will bring up a list of all class codes, select the one you want with an "x" and press <enter>.

*Acquisition Date:* This is the date the equipment was received.

*In-Service Date:* This is the date the asset began (or will begin) being used. It can be a best estimate. It is an important field because the asset's depreciation will be calculated based on this date.

**Figure 3-4:** FAMIS FRS Screen 362 consists of two pages, continued

Below is what Page Two looks like.

```

+-----+
362 Preliminary Fixed Asset Data

Screen: ___ Doc: _____ Seq Nbr: ___

                                                    Page: 2 <<More>>

      Dept: _____ Sub Dept: _____
    Building: _____ Building Campus: ___ Room: _____
    Group Code: _____ Other Location: _____
    Ownership/Title: _____ Restriction: I

                                Cd Pct
                                Purpose: ___ ___
                                ___ ___
                                ___ ___

Maintenance Company: _____
    Contract Nbr: _____ Renewal Date: _____
    Contract Amt: _____ Warranty Exp: _____
    Frequency: ___ Last Maint Date: _____

    Insured By: SELF Insured Value: _____
    Replacement Cost: _____ Inflation Code: NO

Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
    Hmenu Help EHelp Accts Left Right
+-----+
  
```

On Screen 362 page 2, pay special attention to the following fields:

*Dept:* The department code field will default based on the account used to pay the purchase document. The default department code may not be accurate. If it is not, type over it with the department code of the department using the equipment and hit <enter>. Each HSC department has been assigned a unique department code; use “?” or “F2” key to bring up the list of department codes.

*Building:* Input the building number where the equipment is located. Most buildings have been assigned a unique five-digit number; use “?” or “F2” key to bring up the list of building numbers. This field will default to the building number generally associated with the department code you input above. The default may not be accurate. If it is not, type over it with correct building number for where the equipment is located and press <enter>. Use bldg # 00001 for off-campus bldgs that do not have a bldg # already assigned.

*Building Campus:* This is usually 23 or 02 as most building occupied by HSC either belong to HSC or TAMU. This field will default from the building number.

*Room:* Input the room number where the equipment is housed. Accurate location information is imperative for inventory management.

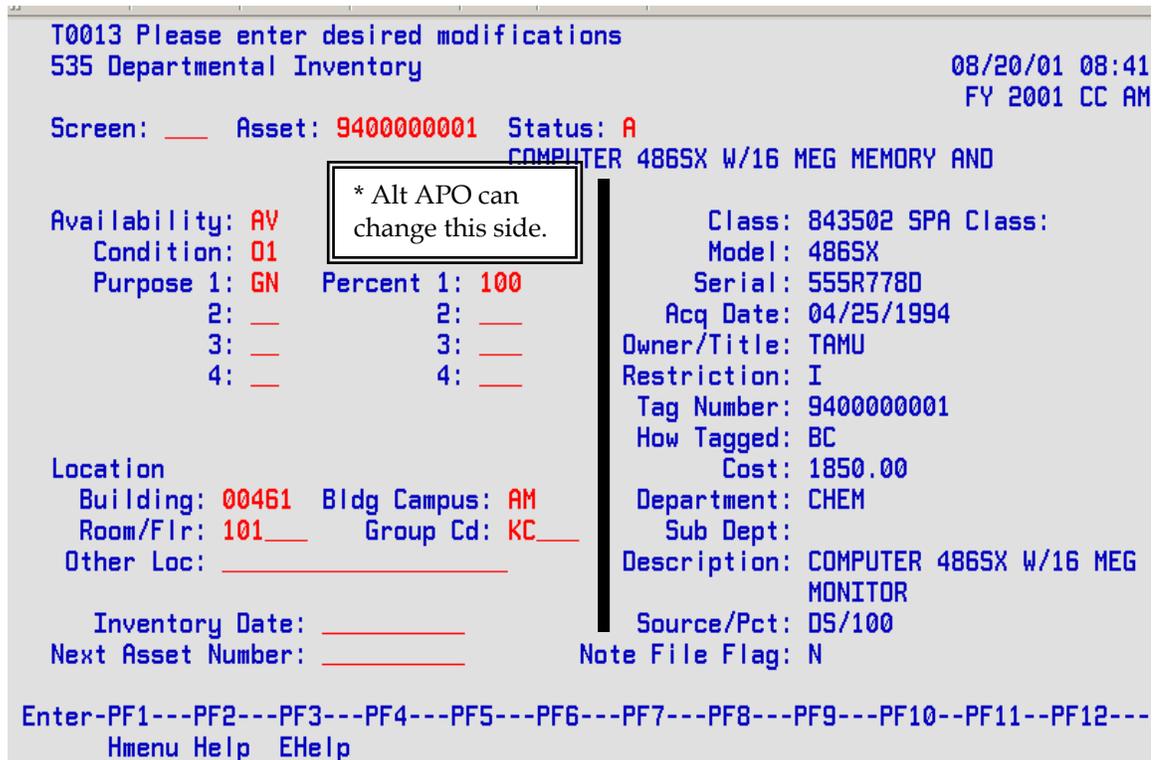
*Other Location:* Use this field to input the name of the user or more information about the location. Be sure to use this field if you use bldg # 00001 to help identify the true location of the asset. Examples are the user's name or a secondary location (lab # 123).

*Purpose Code:* Input the purpose/use code of the equipment; use "?" or "F2" key to bring up the list of purpose codes.

*Purpose Percent:* Once you have selected a purpose code, input the percentage of time the equipment will be used for that purpose. Percentages need to total 100% but can be split up into as many as four different purpose codes (i.e., 25% instruction, 25% research, 50% administration).

The preliminary asset data set up on FRS Screen 362 will electronically feed into FAMIS FFX once the invoice is paid. Then HSC Property Management will review and approve the asset. After HSC Property Management approves the asset in Step 3 of Figure 3-1, the Alt APO should maintain the property control codes on FAMIS FFX Screen 535 (Figure 3-1, Step 4). Figure 3-5 shows FFX Screen 535. The Alt APO may change everything on the left-hand side of the screen. The Alt APO should request FAMIS access.

**Figure 3-5:** FAMIS FFX Screen 535



## Room Numbers

- Always keep room numbers on equipment updated.

This section applies to preliminary asset creators (Figure 3-1, Step 2) and the Alt APO or whoever will update FAMIS FFX Screen 535 (Figure 3-1, Step 4).

**It is very important to keep room numbers on equipment current in FAMIS.**

When inputting room numbers into either FAMIS FRS Screen 362 (preliminary asset creator) or FFX Screen 535 or Canopy (Alt APO), the room number entered must be an official room number recorded on the bldg/room table in FAMIS. If you try to enter a room number that is not on the table, you will receive an error message. Be sure to contact HSC Property Mgmt to update the table. For a list

of rooms associated with a building, see FAMIS FFX screen 543. For example, if property is located in room 17B at the Reynolds Medical Building, but FAMIS has the room number listed as 017B, then it is crucial to input 017B into FAMIS. Figure 3-6 illustrates the field on Screen 362 where the preliminary asset creator would input the building and room number. Figure 3-7 illustrates FFX Screen 535 where the Alt APO would keep the room number updated after the asset is approved.

**Figure 3-6:** Building and Room Number on Screen 362

```

F0013 Please enter desired modifications
362 Preliminary Fixed Asset Data                                08/20/01 08:44
                                                                FY 2001 CC AM
Screen: █ Doc: L100096 Seq Nbr: 1
                                                                Page: 2 <<<<More>
      Dept: FISC_           Sub Dept: _____
      Building: 00461       Building Campus: AM Room/Floor: 100__
      Group Code: _____ Other Location: _____
    
```

**Figure 3-7:** Building and Room Number on FFX Screen 535

```

T0013 Please enter desired modifications
535 Departmental Inventory                                    08/20/01 08:41
                                                                FY 2001 CC AM
Screen: __ Asset: 9400000001 Status: A
                                                                COMPUTER 486SX W/16 MEG MEMORY AND
Availability: AV           Class: 843502 SPA Class:
Condition: 01            Model: 486SX
Purpose 1: GN Percent 1: 100   Serial: 555R778D
      2: __           2: __           Acq Date: 04/25/1994
      3: __           3: __           Owner/Title: TAMU
      4: __           4: __           Restriction: I
                                                                Tag Number: 9400000001
                                                                How Tagged: BC
                                                                Cost: 1850.00
                                                                Department: CHEM
                                                                Sub Dept:
                                                                Description: COMPUTER 486SX W/16 MEG
                                                                MONITOR
                                                                Source/Pct: DS/100
                                                                Note File Flag: N
Location
Building: 00461 Bldg Campus: AM
Room/Fir: 101__ Group Cd: KC__
Other Loc: _____
Inventory Date: _____
Next Asset Number: _____
                                                                Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
                                                                Hmenu Help EHelp
    
```

## Communication with Departmental Creators



### Remember:

- Teamwork is an important part of inventory management.
- The Alt APO must be made aware of all inventory purchases.
- Alt APOs must communicate with and educate departmental creators and preliminary asset creators.
- If possible, it is recommended that the Alt APO input the preliminary asset data.

It is recommended that the Alt APO input preliminary asset data. If this is not possible, then procedures should be established with the departmental creator to inform the Alt APO of all inventory purchases. The Alt APO should educate the creator on what should be inventoried and which object codes to use. Also, the Alt APO should communicate with the departmental preliminary asset creator to ensure that correct property control information is entered onto the preliminary asset screens.

# Chapter 4

## Property Labeling

## ***Assigning Asset Numbers***

### **FAMIS Assigned Asset Numbers**

It is crucial that the departmental creator knows which items should be inventoried and which object codes to use. If they fail to use an inventory object code, then FAMIS will not recognize the purchase as something to be inventoried.

An **asset number** is a 10-character number used to uniquely identify an asset within FAMIS. A **tag number** is the 10-character asset number used to physically mark the asset. In almost all cases, the tag number and asset number are identical and the terms are used interchangeably.

Figure 4-1 illustrates the process for assigning asset numbers for on-line purchases. In Step 1, the departmental creator creates the purchase document in FAMIS and uses an inventory object code. If the creator fails to use an inventory object code, then FAMIS will not recognize the purchase as something to be inventoried. In Step 2, the preliminary asset creator would input all property control data using FRS Screens 360-362, as long as an inventory code was used in Step 1. In Step 3, FAMIS will assign tag numbers immediately after the preliminary asset enterer inputs all required data. In Step 4, after FAMIS assigns the tag number, departmental personnel with access to Screen 361 may view it.

**Figure 4-1:** Assigning Asset Numbers for On-Line Purchases

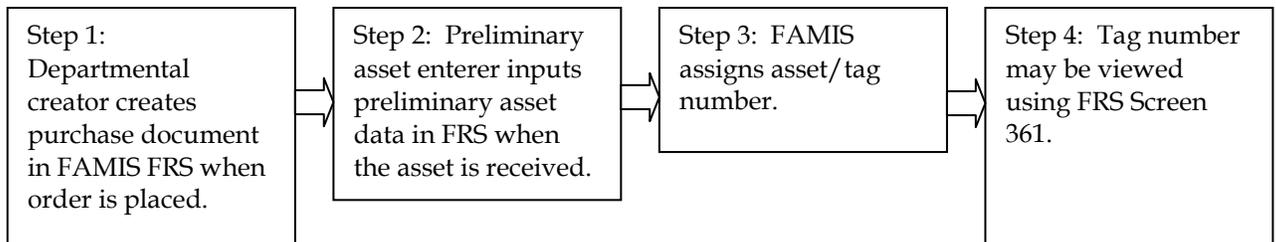
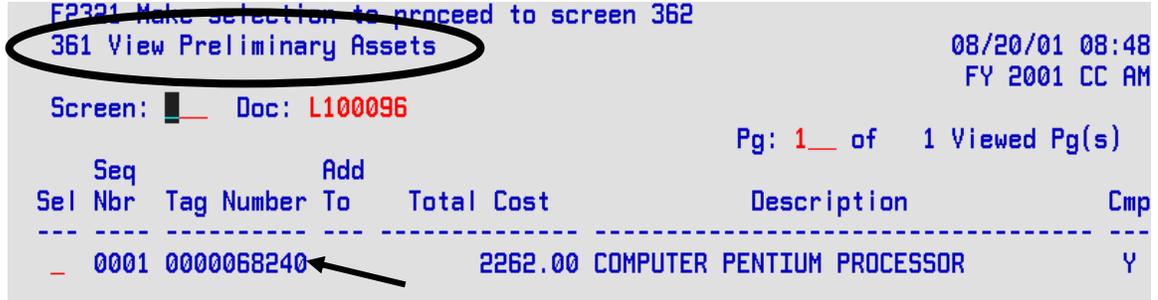


Figure 4-2 is a screen shot of FRS Screen 361 showing the tag number. The purchase document number (i.e. L100096 below) must be known.

**Figure 4-2:** Screen 361 Tag Number



### ***Manual Requests for Inventory Numbers***

Sometimes, certain situations do not allow for the department to enter inventory information into FAMIS to retrieve an asset number. Situations such as these may include receipt of a gift or donation, among others. In these cases, the department must send paperwork to HSC Property Management, who will assign an asset number for the department.

### ***Tagging the Equipment***

The “**Ten-Day Rule**,” according to the *Texas A&M System Asset Management Manual (September 2004)*, says,

“The inventory number must be permanently affixed to an item promptly upon receipt and acceptance but not later than 10 calendar days after receipt, unless prevented by unusual circumstances. Examples of acceptable reasons for not accomplishing such within the ten calendar days would be that the item had to be assembled, calibrated, or connected to a system before it could be inspected properly and placed in use.”

Tagging of equipment is critical for inventory management. First, State and System policy require it. Second, if equipment is not tagged, it will be very difficult for the Alt APO to locate or identify these items during the annual inventory process. Departments should develop procedures to mark equipment immediately. In addition, it is recommended that the Alt APO is notified before equipment is delivered to the end user to ensure that it is properly marked.



It is much easier for the Alt APO to find equipment if it is tagged before it is given to the user. Since departments can easily retrieve a tag/asset number from FAMIS FRS Screen 361, they should have no problem marking the asset within 10 days upon receipt.

FAMIS will assign a ten-digit tag number on Screen 362 for each preliminary asset created on Screen 360. This number needs to be clearly written on an asset label (created by department) and the label placed on the piece of equipment as soon as possible. Assets **must** get tagged within 10 calendar days of receipt with the following information:

- 10-digit tag number
- Property of TAMHSC - 709

Maintain inventory tags that are neat and orderly. If numbers become unreadable, they **must** be remarked. At each month end close, the Alt APO will receive barcode labels for newly acquired inventory. The handwritten/typed labels should be removed and replaced with the barcode label immediately upon receipt.

Follow these guidelines for marking equipment, according to the *Texas A&M System Equipment Management Manual (September 2004)*:

- Mark equipment within 10 calendar days upon receipt.
- Mark equipment before it is given to the user and placed into use.
- Mark each asset with its own unique tag/asset number. Never re-use a previously assigned number from a different asset.
- Mark every piece of equipment as "Property of TAMHSC-709"
- Assure that the label can only be removed through considerable or intentional means.
- Place the label in a highly visible area making it easily accessible during the physical inventory.

For consistency and convenience in conducting physical inventories and audits, the number should be placed in accessible view of the person conducting the inventory. Do not place the numbers inside drawers, on the bottom of equipment, or on the side of heavy equipment that would be difficult to move in order to view the number.

### **"Hard to Tag" Property**

For equipment that is too difficult to tag, HSC Property Management suggests these procedures:

- If the item will be used with more than one specific instrument, it must be assigned its own inventory number. Keep each piece of equipment in a special container with the following information affixed to the container:
  - Inventory number
  - Item description
  - Complete serial number (if available)
  - Location where container will be kept just in case the container gets moved
- Keep the property in the container when not in use.
- Affix the inventory number and item description to the shelf where the equipment will be kept, if applicable.
- When it is necessary to move the equipment to another location, establish checkout procedures.
- Labels can also be kept in a folder with equipment information by the dept's property officer. This suggestion is often used for animal cages that are cleaned in high temperature washes that the label cannot withstand.
- The tagging of non-inventory property is not required but can be valuable at annual inventory time, during audits, and can help prevent pilferage.

Suggested methods to mark equipment when an asset label is not a valid option include the following:

- Heavy duty engraver
- A black, silver or white permanent marker

### ***Tagging Non-Inventory Property***

According to the State Comptroller's Office, the only items that must be tagged are inventory items. *Tagging of non-inventory property is not required.* However, marking certain non-inventory items helps the individual who performs the annual physical inventory to identify items with sight recognition. They can identify items that do not (and should not) appear on the inventory listing, even though it might look like they should. In these cases, HSC Property Management recommends labeling the equipment with the following information:

- Property of TAMHSC-709
- Non-Inventory Asset
- FAMIS Document #

# Chapter 5

## Property Acquisitions

## ***Acquisitions***

This chapter discusses how to handle the numerous transactions for acquiring property. Acquisitions discussed in this chapter include the following:

- Additions and Replacements
- Constructed/Fabricated Property
- Gifts and Donations
- Joint Purchases between Texas A&M System Members
- Leased Personal Property

All of the property that is either purchased with HSC funds or donated to HSC is State of Texas property. This includes grants and gifts, etc.

## **Additions and Replacements**

An **addition** must meet a class code threshold (capital or controlled) for the asset within the fiscal year to become a component part of the asset

A **replacement** means “the replacement of an internal or external part of personal property that allows the property to complete its normal useful life.” Generally, replacement parts should not be inventoried. A replacement part simply replaces a worn-out part with another and allows the item to complete its normal useful life. A replacement will be added to the asset if the replacement meets the **capital** class code threshold for the asset within the fiscal year.

The key to adding to an existing asset via FAMIS is to ensure that the departmental creator is aware of the total additions that will be made to the asset within the fiscal year. If the total will meet the class code threshold, then all additions will be coded with the appropriate object code for the addition and entered as an “Add to Existing Asset” on the Preliminary Fixed Assets screens. A replacement is added only when it is \$5,000.00 or more.

Below are examples of additions. In each example, the addition should be added to the value of the existing item. Instructions for doing so are included.

- A. Example, Capital Asset/Capital Addition:** A \$17,000.00 microscope purchased in a previous year is being upgraded. The \$6,000.00 part will be on different purchase order because it’s purchased in the current fiscal year. The part will be coded capital and added to the original asset as a component.

*This example meets the following criteria:*

1. *It will become a component part of the existing item.*
2. *It meets the threshold within the fiscal year.*

**Add the parts to inventory in the following manner:**

1. The departmental creator will create a purchase document to pay for the part. The departmental creator should use the capital object code because the part being added meets the capital threshold. This will force preliminary asset entry.
2. The preliminary asset creator will use Screen 360, Option 1 to add to an existing asset. **When the parts are replacement parts**, indicate so on the second line of the description. This allows the addition of replacement parts to be added to the original component and depreciate correctly with the original asset value.

If, for some reason, this was not accomplished using FAMIS, then submit the *Property Additions and Deletions* form to HSC Property Management.

- B. Example, Capital Asset/Controlled Addition:** A camera costing \$2,500 is added to, and can only be used with, a \$10,000 piece of lab equipment that is currently on inventory from a previous fiscal year. The \$2,500 meets the controlled threshold within a fiscal year. Therefore, the value of the camera should be added as a new component of the lab equipment.

*This example meets the following criteria:*

1. *It will become a component part of the existing asset.*
2. *It will meet the object code threshold within the fiscal year.*

**Add the camera to the lab equipment's value in the following manner:**

1. The departmental creator will create a purchase document in FAMIS to pay for the camera and should use the object code of 5781, although the object code for the original system is 8422. The controlled code is used because the amount added for this fiscal year meets the controlled threshold. Using this object code will force preliminary asset entry.
2. The preliminary asset enterer will use FRS Screen 360, Option 1 to create an asset and add the camera to the lab equipment's tag number. The enterer would then complete Screen 362.

If, for some reason, this was not accomplished using FAMIS, then submit the *Property Information Sheet* to HSC Property Management. Request an "add-to," cite the asset number and complete all other required information.

**C. Example, Controlled Asset/Controlled Addition:** There is a \$4,000.00 camera purchased in a previous fiscal year and coded 578101-Cameras/Video Cameras (controlled). This year a lens that can only be used with this camera will be purchased and will cost \$1,000.00. The lens will be coded 578701-Cameras/Video Cameras. Although together the camera and the lens are \$5,000.00, neither will be coded capital because they were purchased in different fiscal years.

*This example meets the following criteria:*

1. *It will become a component part of the existing asset.*
2. *It will meet the object code threshold within the fiscal year.*

*If the lens is a **replacement**, it would not meet the Capital threshold of \$5,000. Therefore it would not be added to the camera and would be coded 5752-Institut Furn & Equip less than \$5,000.00.*

**Add the parts to inventory in the following manner:**

1. The departmental creator will create a purchase document to pay for the lens. The departmental creator should use the controlled object code because the part being added meets the controlled threshold. This will force preliminary asset entry.
2. The preliminary asset enterer will use Screen 360, Option 1 to add to an existing asset. **When the parts are replacement parts (meeting Capital threshold of \$5,000.00)**, indicate so on the second line of the description. This allows the addition of replacement parts to be added to the original component and depreciate correctly with the original asset value.

If, for some reason, this was not accomplished using FAMIS, then submit the *Property Additions and Deletions* form to HSC Property Management.

There may be different combinations of assets and components that are possible, but not all are likely.

- Capital asset/addition of capital component
- Capital asset/addition of controlled component
- Controlled asset/addition of controlled component
- Controlled asset/addition of capital component

*When adding value to an asset, the questions to ask are,*

- *Will it become a component part of the existing asset?*
- *Will it meet the object code threshold within the fiscal year?*
- *Is it an addition or a replacement?*

## Constructed (Fabricated) Property

**Fabricated Property** is property that a department builds from scratch. Computers are the most common form of fabricated property.

Use the following criteria for placing a fabricated item on inventory:

1. The completed fabricated item will have a useful life of more than one year and an expected completion value of \$5,000 or more, including labor costs, making the item a capital item, *or*
2. The completed fabricated item is on the listing for controlled items and will have a useful life of more than one year and an expected completion value between \$500 and \$4,999, including labor costs, making it a controlled item.

### ***Determining the Value for Fabricated Property***

Departments must keep track of all costs that goes into the fabrication of equipment. The following items must all be included in the value:

- Any purchased materials and/or parts that become part of the asset
- The fair market value of any donated materials that become part of the asset
- Labor costs

The department should submit the appropriate back-up documentation (receipts, etc.) to HSC Property Management for inventory.

### ***Obtaining an Asset/Tag Number for Purchases Used for Fabricated Equipment***

If the department will purchase all items for the fabrication, then they should use the preliminary asset screens to assign the asset/tag number and to add all items together to that asset/tag number. This allows all values to be added together into the one asset/tag number. If for some reason the department is unable to enter into the preliminary asset screens, then they should submit the *Property Information Sheet* to HSC Property Management.

### ***Obtaining a Asset/Tag Number for Gifts Used for Fabrication***

If anything is donated to be used for the fabrication, then the department must also follow the procedures for accepting gifts. Submit the *Property Information Sheet* and *Property Additions and Deletions* form to HSC Property Management. The department should note this as an add-to for fabricated equipment. HSC

Property Management will create the inventory number for gifts and communicate the number to the department.

### ***Coding Fabricated Items***

Coding the items correctly is very important for depreciation purposes. Be sure to communicate to the departmental creators that they should use object code 8733 for all items purchased for long-term fabrications.

Use the following criteria for object codes for fabricated property:

- **Short-term fabrication** (less than or equal to 3 months) – For everything purchased for the fabrication, purchasing document creators should use the object code for what the fabricated item will be upon its completion. For example, if building a computer that will end up being valued at \$5,000 or more, use capital object code 8435 – *Computer Equipment* for each piece that is purchased to build the computer.
- **Long-term fabrication** (over 3 months) – For long-term fabrications, when purchasing items the purchasing document creator should use object code 8733 – *Construction-In-Progress (CIP) Fabrication of Equipment* for everything purchased for the fabrication. This is important because the 8733 code will not calculate any depreciation for the un-built asset. In addition, using the 8733 code will force the department to input preliminary asset data. The preliminary asset enterer should input the condition code of “UC” (Under Construction) on Screen 362.

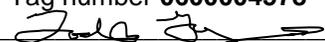
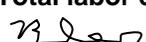
Upon the completion of the long-term fabrication, the department must notify HSC Property Management to change the object code from the construction-in-progress code to the object code for the completed asset; otherwise, it will stay on the books as construction-in-progress and will not accumulate depreciation. Once the object code change occurs, then depreciation of the asset begins.

### ***Determining Labor Costs***

The department should keep track of all labor fabrication costs. They will need to send approved documentation for the breakdown of labor costs to HSC Property Management, who will adjust the property’s value accordingly. The documentation should include the asset number and should be signed by the laborer’s supervisor and the Accountable Property Officer or Alternate. Figure 5-2 is a sample spreadsheet of labor costs.

If the project/fabrication takes place over multiple fiscal years, the labor costs need to be reported to HSC Property Management prior to the end of each fiscal year for financial accounting purposes.

**Figure 5-2:** Sample Spreadsheet of Labor Costs

<b>Department Name: Coastal Bend Health Education Center</b>				
<b>Name</b>	<b>Monthly Salary</b>	<b>% Effort on Trailer</b>	<b>Months of Construction</b>	<b>Cost</b>
Walter Jones	\$2,500.00	30%	4	\$3,000
John Smith	\$2,000.00	70%	4	\$5,600
Bill Taylor	\$1,250.00	50%	4	\$2,500
Tag number <b>0600004578</b>			<b>Total labor costs</b>	<b>\$11,100.00</b>
Supervisor X 	Alt APO X 			

**Example for Building a Trailer**

A department is building a trailer that will take longer than four months to build; therefore, this is a long-term fabrication. They buy several items from different vendors at different times. Here is a listing of the items purchased:

- Tires (\$600)
  - Wood (\$500)
  - Metal hitch (\$300)
  - Nails, nuts and bolts (\$150)
  - Frame (\$4,500)
- 

The sum of these items is \$6,050.

Let's say that the tires were the first items that were purchased. Follow these steps:

1. The departmental creator creates a purchasing document for the tires and should use object code *8733 - Construction-In-Progress (CIP) Fabrication of Equipment*.
2. On the preliminary asset screens, the department will create one asset and assign it a number using Screen 360 Option 1. The enterer will complete Screen 362. FAMIS will generate an asset/tag number in which to add to for all other purchases. In this example, the asset/tag number that FAMIS assigned is *0600004578*.
3. Next, the department purchases the metal hitch. The department creator creates the purchasing document for the metal hitch and uses the same object code, *8733 - Construction-In-Progress (CIP) Fabrication of Equipment*.

4. On the preliminary asset screens, the department should choose Option 1 on Screen 360 and add the metal hitch to the asset/tag number assigned for the tires, which is 0600004578. *Note: If the asset/tag number for the tires is not yet approved by HSC Property Management, then other procedures should be followed. Learn more about this in Preliminary Asset Entry Training.*
5. Complete the remaining preliminary fixed asset screens.
6. Once FAMIS feeds the assets into the Fixed Asset System of FAMIS (FFX), HSC Property Management will manually add the metal hitch and all of the other items and values together as they are purchased onto asset/tag number 0600004578. The value of the parts for the fabricated trailer will be \$6,050 (the sum of the items listed above).
7. Throughout the fabrication, the department records all labor costs onto an Excel spreadsheet. See Figure 5-2. Labor costs must be included in the total value for the property. If the project/fabrication takes place over multiple fiscal years, the labor costs for the current year need to be reported to HSC Property Mgmt prior to the end of the fiscal year for financial accounting purposes. For this example, labor costs total \$11,100.
8. Upon the completion of the fabrication, the department should submit an notify HSC Property Management to change the object code from 8733 – *Construction-In-Progress (CIP) Fabrication of Equipment* to 841506 - *Trailers*.

## **Gifts and Donations**

A **donation** is a voluntary contribution of resources to a governmental entity by a nongovernmental entity. Accept all gifts/donations to HSC in accordance with Section 21.99.03 of the *Systems Policy and Regulation Manual* found at <http://sago.tamu.edu>. According to the *Systems Policy and Regulation Manual*, “Gifts include support from private sources bestowed voluntarily and without expectation of any tangible compensation.”

### ***Gifts through The Texas A&M Research Foundation or Sponsored Research Services***

The following procedures apply to donations from the Research Foundation (RF) and Sponsored Research Services (SRS):

1. A letter is sent from either RF or SRS to HSC Property Management concerning the gift/transfer.

2. HSC Property Management will send a copy of the letter and an email to the appropriate department. The inventory number for the gift will be assigned once the dept accepts the gift.
3. The department may either accept or decline the gift.
  - If the department chooses to accept the gift, then they should complete and sign the *Property Additions & Deletions* form and label the item. They should also complete a *Property Information Sheet*. Send completed forms to HSC Property Management. HSC Property Management will add the gift to the department's books.
  - If the department chooses to decline the gift, then they should return the paperwork to HSC Property Management with a reason for declining the gift.

### ***Gifts from Other Sources***

1. Gifts that meet the State mandated inventory thresholds (\$500 for controlled equipment, \$5,000 for all equipment) must be assigned an inventory number and be added to HSC's accounting system.
2. HSC Property Manager will assign an inventory number and send it to the department that accepted the gift. The department should complete and submit the *Property Additions and Deletions* form to HSC Property Management. The gift will not be added to HSC's accounting system until the department has signed acceptance of the item.
3. Property donations to HSC need to be accompanied by either a copy of the original invoice or an independent appraisal, fair market value determined by an internet search is acceptable as well.
4. If the donation is taking place in the same fiscal year as the item's purchase, then it will be added at the acquisition cost (based on Donor-provided copy of invoice). Otherwise, it will be added at fair market value based on either an independent appraisal provided by donor or as calculated by HSC Property Management using straight line depreciation of the original acquisition cost (based on Donor-provided copy of invoice), the age of item, and the asset's useful life (using State published useful life schedules).
5. Donated gifts will be reported to the TAMUS Board of Regents at the values assigned in the above step on the gift report reported each quarter.
6. If a donation is a split purchase between HSC and the Donor, the item should be donated to HSC in the same fiscal year whenever possible for depreciation and State policy purposes.

7. HSC Property Management will assume the Donor's gift is not being claimed as a gift on the Donor's taxes unless an IRS 8283 Form is attached. Therefore, HSC will not follow gift tax rules for the disposition (IRS 8282) of the item if it is kept less than 2 years. An appraisal must accompany the paperwork if the donor wishes to receive a tax deduction. Questions regarding gift tax laws should be directed to the Office of Institutional Advancement.
8. Be aware that once an item has been donated to HSC and added to HSC inventory, it will follow State guidelines related to its disposal.
9. HSC Property Management will assume all inventory items donated have title given to the HSC "free and clear" unless comments are made in the donation letter to the contrary.
10. Important: Gift information must be provided to Office of Institutional Advancement to be reported on the HSC Gift Report submitted quarterly to the Board of Regents and for guidance regarding gift tax laws possibly related to the gift/donation.

### Joint Purchases Between A&M System Members



It is highly recommended that departmental employees contact their System Member's Property Manager for exact procedures to follow for each joint purchase.

Sometimes, A&M System Members will jointly pay for equipment. For example, HSC and Texas A&M (TAMU) may jointly pay for a faculty member's research equipment. Generally, the owner of the equipment is whoever pays the most for the property. The property managers from both System Members will determine the ownership. Departments involved in the joint purchase should contact their respective property managers to discuss. Preliminary fixed assets will be completed like normal for the asset. The transfer will occur after the asset is approved on both Members' inventories.

### Leased Personal Property

According to the *State Property Accounting Process User's Guide* (June 2004), "Equipment should be capitalized if the lease agreement meets any one of the following criteria:

- The lease transfers ownership of the property to the lessee by the end of the lease term.
- The lease contains a bargain purchase option.

- The lease term is equal to 75 percent or more of the estimated economic life of the leased property.
- The present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90 percent of the fair value of the leased property.

Leases that do not meet any of the above requirements should be recorded as an operating lease and reported in the notes of the financial statements.”

Once a department enters into a capital lease purchase, the entire amount of the leased purchase equipment is assigned an asset number using the purchase document number instead of a voucher number for the reference. For payments on the lease purchase, the department should use 8345 or 8350 as the object code, depending on the type of equipment being leased. 8345 is for leased software. 8350 is for all other types of leased equipment.. Either use the preliminary asset screens to establish an asset/tag number at the time the payment is processed, or submit the *Property Information Sheet* with the *Property Additions and Deletions* form to HSC Property Management. Also submit a copy of the lease agreement to HSC Property Management.

# **Chapter 6**

## **Property Dispositions**

## ***Dispositions***

This chapter discusses how to handle the numerous transactions for disposing of property. The types of disposition of property in this chapter include the following:

- Dismantled for parts (cannibalized)
- Damaged/Destroyed
- Obsolete
- Missing/Stolen
  - Recovered Property
  - Missing Property that is Never Recovered
- Returned Items
- Sale of Property
- Trade-ins

HSC Property Management will follow the System/State procedures to drop cannibalized, damaged/destroyed, missing and stolen property from a department's inventory when they receive the proper paperwork from the department.



If research equipment purchased on a sponsored agreement is being disposed of by any of these methods, the sponsored agreement should be reviewed to see if permission is needed from the sponsor. This review should be performed and documented accordingly in the department files prior to submitting paperwork to HSC Property Management.

## Dismantled Equipment

- √ Employees should notify the Alt APO before cannibalizing equipment.
- √ Prior to cannibalization, complete and submit the *Property Additions and Deletions* form to HSC Property Management.
- √ After dismantling, the remaining parts MUST be sent to HSC Surplus if the dept no longer needs them. Complete and submit to HSC Property Management for signature, the *Property Transfers Form* showing the equipment to be N/I (non-inventory) and being transferred to HSC Surplus.
- √ If a computer is cannibalized, then have OIT complete the *Data Disposal Certification* also. This form must be taken to HSC Surplus along with the signed *Property Transfers Form* and the dismantled computer equipment.

**Dismantled (cannibalized) equipment** is equipment that is taken apart and the parts are used in other assets. For example, computer personnel occasionally use parts from older computers to fix other computers in the department.

When possible, drop the equipment from the inventory **before dismantling** it by submitting the *Property Additions and Deletions* form to HSC Property Management. This will ensure that the dismantled equipment is dropped from inventory before the parts are used for anything else. Using this form, HSC Property Management will remove the item from the department's inventory, therefore, making the item and all of its parts non-inventoried (N/I) property.

### ***Surplusing Dismantled Computer Equipment***

Departments may dismantle equipment before they take it to Surplus and keep the parts that they will use. Departments should send all residual parts not needed to Surplus instead of storing them. Be sure to complete a *Property Transfers* form.

## Damaged or Destroyed Property

**Do not** throw damaged/destroyed property away! Always transfer it to HSC Surplus!

If the equipment is damaged or destroyed, whether through misuse or neglect or not, then the Accountable Property Officer (Department Head) must report, in

writing, any damaged or destroyed inventory to the HSC Property Manager **immediately**. Submit the *Property Additions and Deletions form* to HSC Property Management.

All damaged/destroyed property should then be transferred to Surplus as non-inventory (N/I) using the *Property Transfers form*.

- **Damaged Motor Vehicle**

In the event a motor vehicle or motor driven equipment is damaged or destroyed, a copy of the official accident report should be attached (depending on whether there was employee negligence) and submitted to the HSC Property Manager.

### **Obsolete Property**

**Do not** throw obsolete property away! Always transfer it to HSC Surplus!

Obsolete property means equipment that is no longer useful due to age or outdated technology. HSC Property Management will remove the property from inventory when a *Property Additions and Deletions form* is submitted by the department. The equipment must then be taken to Surplus as non-inventory (N/I) by completing *Property Transfers form*.

### **Missing/ Stolen Property**

**Missing** property is property that cannot be located/accounted for and the disappearance cannot be explained. **Never report an item as missing unless it is truly missing and no one knows where it can be located.** After two years, the missing asset will be disposed from the department's inventory, but only if the department has submitted the proper paperwork to HSC Property Management (*Report of Missing or Stolen Property*).

**For missing equipment, follow these procedures:**

- The department must notify HSC Management as soon as possible after identifying missing/stolen equipment.
- In a timely manner, the department must submit a completed form, *Report of Missing or Stolen Property* to the HSC Property Manager. **Only the Department Head may sign this form.** Any *Missing/Stolen* forms received by HSC Property Management without the Department Head's signature will be returned. This policy provides the extra assurance that

Department Heads are aware of the property reported missing or stolen in their departments. The department should keep a copy of the form.

- The following investigative steps must be taken to complete the form:
  - Physical search of the last known location of the equipment,
  - The person who was responsible for the equipment is questioned,
  - Any leads from the previous steps must be followed up on, and
  - The Department Head or Alt APO should contact departmental employees to solicit help (an email is fine) in searching for the equipment, just in case someone has information regarding the missing equipment; for example, someone may have simply moved the equipment without telling the Alt APO.

**If equipment is determined missing during the physical inventory, then follow these procedures, in addition to those listed above:**

- List each missing item on the *Certification of Annual Inventory*
- Submit the *Report of Missing or Stolen Property* to HSC Property Management for any asset that has not been reported before. It is not necessary for departments to submit a missing report each year for the same piece of missing equipment; however, continue to list it on the inventory certification each year until it is disposed from inventory.

**Stolen** property is any property missing by theft, whether by forced removal, burglary, theft by employees, or other criminal acts. **The department must submit the *Report of Missing or Stolen Property* and a copy of the report from a local law enforcement agency to HSC Property Management before the stolen asset will be disposed from the department's inventory.** Once all of the paperwork is received, stolen assets will be dropped from inventory immediately.

**For stolen equipment, follow these procedures:**

- The department must notify HSC Management within 24 hours after identifying missing/stolen equipment, to comply with *The Texas A&M University System Asset Management Manual* (September 2004).
- Notify the local law enforcement **within 48 hours** after identifying the theft. If the loss occurred on campus, then notify the University Police Department immediately also. Building security does not qualify as law enforcement. Their report can accompany the local law enforcement's report, but cannot take its place.
- **Submit a copy of the police report to HSC Property Management; otherwise, the item will not be disposed from the department's inventory.**

- In a timely manner, the department must submit a completed form *Report of Missing or Stolen Property* to the HSC Property Manager. **Only the Department Head may sign this form.** Any stolen forms received by HSC Property Management without the Department Head's signature will be returned. This policy provides the extra assurance that all Department Heads are aware of the items reported stolen in their departments. The department should keep a copy of the form.

**For both missing and stolen equipment,** the Department Head must determine if he/she feels there was any employee negligence involved in the disappearance of the equipment. There is a box the Department Head must check on the *Report of Missing or Stolen Property* stating his/her decision on this matter. If the Department Head feels there was employee negligence or cannot rule out that possibility, according to the *State Property Accounting Process User's Guide (June 2004)*,

“The Office of the Attorney General may investigate a report received for negligence or theft. If the investigation reveals that a property loss occurred through the negligence of a state official or employee, the OAG makes a written demand on the official or employee for reimbursement of the loss.”

### ***Recovered Property***

Occasionally, stolen or missing items are recovered. The department should have a copy of the *Report of Missing or Stolen Property* that they submitted to HSC Property Management reporting the missing/stolen property. To report the items as recovered, complete the bottom portion of this copy and submit it to HSC Property Management. **Report recovered property even if it has been deleted from inventory.** For stolen items, notify the appropriate law enforcement agency in addition to submitting the *Report of Missing or Stolen Property* to HSC Property Management.

### ***Missing Property that is Never Recovered***

Missing property that is not recovered will remain on the department's inventory for two consecutive fiscal years/two annual physical inventories in the missing-hold status (condition status MH). Upon termination of the second year, if the proper paperwork is on file with HSC Property Management, they will change the condition status to MS - missing-deletion request. This notifies the State that it has met the 2-year requirement and is being deleted as missing. Thus, it is not necessary for departments to submit a missing report each year for the same piece of missing equipment; however, they should continue to report it on the *Certification of Annual Inventory* each year.

## Returned Items

For any inventory items that are returned to the vendor, always submit the *Property Additions and Deletions* form and a copy of the credit memo to HSC Property Management. It is very important to process this form at the time of the transaction so that the asset will not appear on the department's books at the time of the annual physical inventory.

## Special Sales

Occasionally, a special sale may be necessary. Special sales may only occur with permission from HSC Vice-President for Finance and Administration. **It must be in HSC's best interest/benefit to sell items through a special sale. The HSC would generally not want to sell property if the property could be used elsewhere at HSC.**

Follow these procedures for special sales:

The department must request permission to sell the property through the following individuals: Department Head, Dean (if applicable), Director of Purchasing, Property Manager, Associate Vice-President for Finance and Administration, Controller, and the Vice-President for Finance and Administration. All requests for authorization for sale must include the asset number, description, date of acquisition, condition, inventory value for each item of property, and reason for the sales request. If the Vice-President for Finance and Administration approves the sale, then complete the *Property Additions and Deletions* form.

Sales price is determined by the HSC as follows:

**Capital Property** – Current book value (original cost – accumulated depreciation); if fully depreciated, 10% of original cost.

**Controlled Property** – 10 % of original cost.

**Non-inventory Property** – 10% of original cost is able to be determined; if original cost cannot be determined, current value per internet research by HSC Property Management will be used.

HSC Property Management can be contacted for examples of Special Sales memos and pricing before submitting the special sales request through the approval process.

Any computer equipment sold in a special sale must have the hard drive erased by HSC OIT and a *Data Disposal Certification* form completed and kept with the special sales approval for documentation.

## **Trade-Ins**

A **trade-in** is property that is exchanged for new property of the same general type and is in the best interest of the State of Texas. Property may be traded-in towards the purchase of new property. Unless the department informs HSC Property Management of the transaction, there is no way for the traded-in item to be deleted from the department's inventory and this could lead to the reporting of missing equipment that is not truly missing.

Follow these procedures for trade-ins:

1. Submit a completed *Property Additions and Deletions* form to HSC Property Management for the property being traded-in.
2. Submit a completed *Property Information Sheet* for the new asset so that all of the correct information such as serial number, etc. is recorded.

### ***Maintaining Equity for Trade-Ins***

When trading in assets, the agency must ensure that the state's portion of equity is maintained. A description of the asset being traded, including the inventory number and the trade-in allowance, should be noted along with any documentation pertaining to the purchase of the new asset. This is necessary to ensure the asset being traded is properly accounted for and clearly identified for removal from the inventory records.

According to the *State Property Accounting Process User's Guide* (June 2004), in regard to the trade-in of assets,

**“Similar assets** –To record an exchange of similar assets, agencies must use a book value basis for the assets surrendered or acquired when:

- Assets are exchanged and no monetary consideration is paid or received, the cost of the asset acquired is recorded at the book value of the asset surrendered.

- Monetary consideration is paid, the new asset must be recorded at the sum of the cash paid **plus** the book value of the asset surrendered.”

“**Dissimilar assets** – To record an exchange of dissimilar assets:

- Record the fair value of the asset being traded and the resulting transaction for acquiring the new asset.
- If the asset is being purchased with cash, record the transaction for the new asset as cash paid **plus** the fair value of the asset surrendered.”

### ***Asset Numbers for Trade-Ins***

When the departmental creator issues a purchasing document in FAMIS for the new item, then he/she should follow these procedures:

- In the notes, provide a description of the asset being traded, including its inventory number and the trade-in allowance.
- FAMIS will assign an asset/tag number using the preliminary asset screens.

# Chapter 7

## Property Transfers

## ***Property Transfers***

If a department has no further use for a piece of property (inventoried and non-inventoried), then they should either transfer it to another department that needs it or transfer it to the Surplus Department instead of storing it. This includes *all* property, inventoried and non-inventoried, not being used by the department (e.g. computers, furniture, binders, lamps, etc).

The types of transfers discussed in this chapter include the following:

- Transfers Between HSC Departments
- Transfers of Computer Equipment
- Transfers to the HSC Surplus Office
- Transfers Between Texas A&M System Members
- Transfers Between State Agencies Outside of the Texas A&M System
- Receiving Property from a State Agency Outside of the Texas A&M System
- Transfers from Surplus to HSC Departments



If research equipment purchased on a sponsored agreement is being sent the HSC Surplus Office or transferred out of the A&M System, the sponsored agreement should be reviewed to see if permission is needed from the sponsor. This review should be performed and documented accordingly in the department files prior to submitting paperwork to HSC Property Management.

*See Chapter 9 for a summary of forms to use for the different types of transactions.*

## Transfers Between HSC Departments (Other than HSC Surplus)

An HSC department may transfer any equipment that it is not using to another HSC department. Follow these procedures when transferring between HSC departments:

1. The *releasing* department should initiate the *Property Transfers* form.
2. The *releasing* department should complete the following sections and send to the *receiving* dept:
  - Name of person preparing form
  - Asset #
  - Description
  - Serial # (if applicable)
  - Releasing Department/ Agency info & sign
3. The *receiving* department should the following sections and send it to HSC Property Management (9.0 Property Mgmt inbox in Laserfiche):
  - New Location (Bldg, Room, Other Location)
  - Receiving Department/ Agency info & sign
4. HSC Property Management will approve and process the transfer in FAMIS. This will remove the asset from the *releasing* department's inventory and place it on the *receiving* department's inventory.
5. Work with the receiving department to move the equipment.

## Transfers of Computer Equipment

Before transferring computer equipment to HSC Surplus or outside the HSC, departments are responsible for contacting the HSC Office of Information Technology (OIT) to "secure" the hard drive. To do this, contact OIT at 1.800.799.7HSC or [helpdesk@tamhsc.edu](mailto:helpdesk@tamhsc.edu).

After securing the hard drive, OIT will complete the *Data Disposal Certification* form to certify the hard drive has been sanitized. This form does need to be submitted to HSC Property Management. If the computer is being taken to HSC Surplus, take the *Data Disposal Certification* along with the *Property Transfers* form and the computer to HSC Surplus. Retain a copy of the form with departmental inventory records. If the computer is being transferred outside of HSC, keep this form on file with departmental inventory records. If the department is transferring computer equipment which does not work but does include a hard drive, it is still responsible for completing the process discussed above.

HSC Surplus will **not** accept a computer without the *Data Disposal Certification*.

## Transfers to the HSC Surplus Office

As a State agency, the HSC cannot dispose of assets without following numerous state laws related to the disposal of property, such as:

- Advertising equipment to other state agencies ,
- Advertising equipment to public school districts,
- Computer equipment sent to TDCJ,
- Items sold by auction, and landfill issues

HSC operates the HSC Surplus Office to comply with all of these regulations. Departments should transfer all surplus, idle, or salvage property to HSC Surplus. ***This includes all property, inventoried and non-inventoried.*** Surplus is any piece of property that the department does not need or use. Idle equipment should also be transferred to HSC Surplus, where it is made available to other HSC and A&M System departments. Salvage property is broken or dismantled equipment. Remember, if any inventory item is missing a vital component; follow procedures for dismantling equipment. Doing this, updates the status from inventory to non-inventory. Damaged or obsolete equipment that is still on a department's inventory list needs to be removed from inventory prior to transferring to HSC Surplus.

HSC departments are responsible for transferring property to the HSC Surplus Office. This includes scheduling with the HSC Surplus Office for drop-off/pick-ups and costs.

If the property contains or has contained hazardous materials, the HSC Environmental Health & Safety Office must be contacted to clear/certify the property. The HSC Surplus Office will not accept property of this type without safety clearance. Freon must also be removed before moving property to surplus.

Check with the surplus office before transferring artwork of any kind.

The following items cannot be disposed of through the surplus office: (if in doubt, ask HSC property management)

1. Syringes
2. Liquids, creams, any hazardous materials used in equipment
3. Glassware – unless household

4. Trash – candy wrappers, used Styrofoam cups, etc.
5. Non-commercial recordings/documentation (VHS tapes, CD's, slides, manuals, etc.) dispose these through record retention guidelines.

**To transfer equipment to the HSC Surplus Office, follow these procedures:**

1. All HSC depts transferring property to HSC Surplus must complete the *Property Transfers* form.
2. The *releasing* department should complete the *Property Transfers* form.
3. TSRPL is the dept code for the *receiving* dept, HSC Surplus.
4. If requesting surplus pickup, please contact the HSC Inventory Officer to discuss. Pickups are on a case-by-case basis.
5. On the transfers form, the *releasing* department should complete the following:
  - Name of person preparing form
  - Asset # for inventoried items. For non-inventory items, put N/I.
  - Description
  - Serial # (required for computers, even if N/I)
  - Receiving department/agency info & sign
6. If transferring a computer, submit a completed form *Data Disposal Certification* to Surplus. This form is completed by HSC OIT.
7. Forward the *Property Transfers* form to HSC Property Management by scanning into Laserfiche inbox 9.0 Property Management.
8. HSC Property Management will transfer the inventory items from the releasing department's inventory upon receipt of the assets at the surplus office.

### **Transfers from HSC Surplus to HSC Departments**

HSC departments can also “shop” at the surplus office. If your department plans to acquire items, contact the surplus office first to see what is available. All property is available at no cost to HSC departments.

Departments may also provide a “wish list” to the HSC Inventory Officer. The inventory office will watch for the items on the dept's list and contact the dept's property officer if the items are received at surplus.

HSC Surplus will prepare a *Property Transfers* form for the items chosen from the surplus. The receiving department's Department Head or Alt APO must complete the new location information for each asset and sign the form before the items may be moved from the surplus office.

## Transfers between Texas A&M System Members

It is common for Texas A&M System Members to transfer property to one another; for example, Texas A&M might transfer some inventoried property to the HSC. Each Texas A&M System Member's fiscal office must properly process the paperwork; otherwise, the record of the transfer cannot be made.

The *Property Transfers* form will be initiated by the *releasing* A&M System Member. Once the *releasing* and *receiving* Members have completed and signed the form, the transfer can occur.



When transferring between System Members, it is critical to place the other member's campus number, so that HSC Property Management can easily identify the other member's Property Manager that they need to contact.

## Transfers Between Texas State Agencies

HSC property can be transferred to other state agencies in Texas only if other HSC departments do not need the property; for example, HSC may transfer equipment to the University of Houston.

Once the department confirms that the equipment cannot be utilized by other departments at the HSC, contact the HSC Property Manager to continue the transfer process.

## Receiving Property from a State Agency Outside of the Texas A&M System

If a non-Texas A&M System state agency, for example, the University of Houston, transfers property to a HSC department, then follow these procedures:

1. The *receiving* department should forward all documentation immediately to HSC Property Management.
2. The *receiving* department should complete the *Property Information Sheet* for each piece of inventoried property and submit it to HSC Property Management.
3. HSC Property Management will assign the asset/tag numbers and communicate those to the department.

According to *The Texas A&M University System Asset Management Manual* (September 2004), "If you are the accepting agency of a transfer, it is important not to change the original acquisition date, acquisition method, or dollar amount so that the transfer will clear correctly in the State Property Accounting system."

# **Chapter 8**

## **Misc Property Information**

## ***Miscellaneous Property Transactions***

*If ever in doubt, contact HSC Property Management.*

The types of miscellaneous property transactions in this chapter include the following:

- Broken, Obsolete, Idle Equipment
- Found Items that Should be Inventoried
- Loan of Property
- Relocated Property
- Software
- Trust Property

### **Broken, Obsolete, Idle Equipment**

Never throw away equipment or store it at the department! Always transfer unused property to HSC Surplus- even if it is broken!

If property is broken, worn out, obsolete or idle, then transfer it to HSC Surplus using the *Property Transfers* form.

### **Found Items That Should Be Inventoried**

If someone finds property that should be inventoried but is not, then submit a *Property Additions and Deletions* form and the *Property Information Sheet* to HSC Property Management so that the equipment can be added to the department's inventory. The voucher number should be provided, if available.

Found items might include those that were purchased using a non-inventory expense object code when they should have been coded capital or controlled.

### **Loan of Property**

Loaned equipment remains on inventory and must be accounted for during the annual certification. Keep the location information updated to avoid having to report any loaned equipment as missing. Even though the department is loaning equipment, the Department is still responsible for it.

The *Texas A&M System Asset Management Manual (September 2004)* outlines the policy and procedure for loaning agency property. The Property Officer is responsible for maintaining inventory records for the department, including location data, and must present everything upon request. Loans should be regularly and frequently tracked, reviewed, and updated. Persons using property on loan should be required to acknowledge and sign for accountability for the property in their possession using the *Loan of HSC Property* form.

Departments may loan property to another HSC Department or to an employee to be used for official State of Texas business. The Property Officer must inform everyone who is loaned equipment of their responsibility and liability concerning using State of Texas equipment.

### ***Short-Term Loans***

Follow these procedures for short-term loans:

1. Departments should document these loans. Departments may use HSC Property Management's *Loan of HSC Property* form or create a unique form for the department or create an Excel file to record equipment loans. The Excel file is especially effective for tracking laptops being checked in and out of departments.
2. File the original short-term loan request documentation in the department. Do not submit it to HSC Property Management. Please note, this form is not required for short term loans, but is highly encouraged.
3. The Property Officer should update the location information for the loaned asset on FAMIS FFX Screen 535 or in Canopy. It is recommended to use the "other location" field to insert the name of the person using the equipment.
4. When property is returned to the lending department, the Property Officer must update the location again.

### ***Long-Term Loans***

It is recommended that individuals borrowing equipment be required to periodically bring it to the office so the Alt APO may physically account for it.

Follow these procedures for long-term loans:

1. Departments are required to document the loan. Departments may use HSC Property Management's *Loan of HSC Property* form.
2. File the original form in the department. Do not submit it to HSC Property Management.

3. The Alt APO must update the location information for the loaned asset using FAMIS FFX Screen 535 or Canopy. For long-term loans, document the location as follows:
  - Bldg: 00001 if the equipment will be moved off-campus
  - Room: Home (or wherever it will be taken)
  - Other location: List the name of user or actual physical street address to help identify.
4. When property is returned to the lending department, the Alt APO must update the location again.
5. It is recommended to have the user complete the *Loan of HSC Property* form at each annual inventory certification.
6. Note: During an official audit or inventory spot check, loan documentation will be required to have on file in any form listed in # 1 above.

## Relocated Property



Communicate to employees that they should not move equipment without sending the Alt APO notification of the location change.

It is very common for employees to move property from place to place. If they do not notify the Alt APO, then this could cause problems when the Alt APO performs the annual inventory certification. This is a common reason for departments reporting missing property that is not truly missing.

The Alt APO should make changes in FAMIS FFX or Canopy immediately when an item is relocated.

## Software

### ***Purchasing Software***

According to the *State Property Accounting Process User's Guide (Feb 2008)*, departments should inventory purchased software whose unit value cost is \$100,000 or greater and has an estimated useful life of more than one year. The department should also inventory internally developed software whose unit value cost is \$1,000,000 or greater and has an estimated useful life of more than one year.

### ***Obsolete Inventoried Software***

Follow these procedures for obsolete inventoried software:

1. Submit a completed *Property Additions and Deletions* form to HSC Property Management. They will drop the software from the department's inventory, making it a non-inventoried item.
2. Transfer the non-inventoried, obsolete software to HSC Surplus with any disks, manuals, boxes, etc. that came with the software. Do this by completing the *Property Transfers* form. Indicate on the form the software is obsolete.

### **Trust Property**

**Assets Held in Trust**, according to the *State Property Accounting Process User's Guide (June 2004)*, are

“Capital assets an agency holds on behalf of a non-state entity, controls temporarily and does not use in agency operations (such as art collections owned by families or estates) should be accounted for in SPA (the State Property Accounting system). Capitalization thresholds do not apply to assets held in trust.”

Departments must record trust property on their inventory. To do this, submit the completed *Property Additions and Deletions* form and the *Property Information Sheet* to HSC Property Management.

## ***How to Update Inventory Records in FAMIS/Canopy***

One of the best ways to manage the inventory is through the FAMIS FFX System. **FAMIS** is the official Financial Accounting Management Information System at HSC. The **Fixed Asset System (FFX)** houses all official property information and is used to generate state reports. The **Financial Record System (FRS)** houses all financial accounting information.

FFX Screen 535 or Canopy FFX is where the Alt APO may update property information on a daily basis without having to submit paperwork to HSC Property Management.

If you have questions regarding either application, please contact HSC Property Mgmt for training.

The property officers are responsible for updating the following information (not only at annual inventory certification, but throughout the year as needed):

- Condition
  - What condition is the asset in? New acquisitions default to O1, which is excellent condition. To see options, put the cursor in the condition code blank and use the F2 key/Enter.
- Bldg # (Required)
- Bldg CC (Required)
- Room # (Required)
  - If the room # doesn't exist for the bldg #, contact HSC Property Mgmt.
- Other Location (Optional, but highly encouraged)
  - The "other location" field can help tremendously when trying to locate equipment. Many departments insert the user's entire name or use it for secondary locations (for example, lab # 123).

Property Officers can also download their department's entire inventory listing by logging into Canopy. Select the FFX module and the 'Search' option. Type in the four-digit dept code, then click on the 'download' button. The list will download into Microsoft Excel, where the property officer can sort. Doing this is a great way throughout the year for the property officer to conduct spot checks on their own inventory records. The same information can also be found in FAMIS FFX screen 534 by typing in the dept code.

## ***Monthly Departmental Inventory Reports***

After each business office month-end close, HSC Property Management will send each department a set of reports if the dept had activity in FAMIS FFX occur during the preceding month. The report sent to departments is the *TBAR006 Asset Control Sheet* (See Figure 9-5).

The **TBAR006 Asset Control Sheet** generates if a department purchases, acquires or disposes of equipment. It is also used to attach barcode labels to for new purchases to send to the departments for application.

The TBAR006 reflects the information that is in FFX in regards to the asset. Upon receiving one or all of the reports, the Department Head or the Alt APO should do the following:

- Confirm the accuracy of the report. Most importantly, for new equipment, the Department Head or Alt APO must ensure that the asset number on the TBAR006 matches the asset number marked on the actual asset. Also verify the serial number and the location data.
- If no errors are found, then no further action is necessary.
- If errors are found, then notify HSC Property Management.

• Figure 9-5: TBAR006 Report

TBAR006  
FY 2005 CC 23  
ARM SYSTEM HEALTH SCIENCE CTR  
Asset Control Sheet August 2005  
As of 09/05/2005  
09/05/05 19:22  
PAGE: 71

Asset Number: 05-0-0708525  
Asset Description: PRINTER, HP LASERJET 2840,COLOR  
Component: 01  
Status: A  
Date Created: 08/22/2005

LOCATION DATA  
Department: 0535  
Alt APO Name: MCBAIN, MARY  
Sub-Dept:  
Building: 03600  
Room: 524  
Other Location: HR OFFICE  
Bldg Campus Cd: 23  
Group:

PROPERTY CONTROL DATA  
Class: 578801  
Acquisition Method: PO  
Condition: 01  
Availability: US  
How Tagged: WR  
Tag Number: 0500708525  
Acquisition Date: 08/01/2005  
In-Service Date: 08/03/2005  
Last Inventory Date:  
Related Asset Number:  
Transferred From Asset:  
Transferred From Component:

PURCHASING DATA  
Voucher Number: 3500137  
Manufacturer Name: HEWLETT PACKARD  
Model Number: LASERJET 2840  
License Plate:  
Invoice Number: 32-83360-11.  
Serial Number: CNC570BK  
Model Year:  
PO Number: W502171  
PO Account 1: 576660000005788  
Account 2:  
Account 3:  
Account 4:  
Total Cost: 998.19

INVENTORY NUMBERS AFFIXED & ENTRIES CORRECT.  
SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

## ***Documentation & Record Retention***

It is recommended for the departmental property officer to keep a “folder” for inventory documentation.

Laserfiche is a great tool for record keeping because the record retention requirements are built into the system.

Records should be maintained by the property officer to protect the department. The HSC Property Management office also keeps records; however, the department's should not rely on these records to be their own.

Below are other suggestions for record keeping:

- An “on-loan” property file. If loaning out property to anyone, including other departments on campus, make sure to complete a *Loan of HSC Property* form.
- An in-process file (transfers, newly acquired property, etc.).
- A deleted/disposed equipment file.
- An off-site file (e.g. research equipment located off-campus).
- A missing equipment file. File the records awaiting final disposal after the required two year waiting period.
- A folder for Surplus paperwork.
- If the department has inventory on several A&M System parts, then keep it all separate.

# **Chapter 9**

## **Property Forms**

## ***Property Forms***

Note: These forms are samples only. Use the following website for the most recent forms for property office use:

<http://www.tamhsc.edu/departments/finance-admin/inventory-mgmt.html>

- Property Information Sheet
- Report of Missing or Stolen Property
- Certification of Annual Inventory
- Loan of HSC Property
- Property Transfers
- Data Disposal Certification
- Property Additions and Deletion
- FD-860 Department Information, Designation and Authority

## ***Property Information***

### **Texas A&M Health Science Center Property Management**

(Only complete this form for manually assigned asset #'s; if assets are created in FAMIS FRS 360-362, do not complete this form)

<p><b>(Check One)</b></p> <p style="text-align: center;"> <input type="checkbox"/> <b>New Asset #</b>                      <input type="checkbox"/> <b>Add To Existing Asset #</b> </p>
---

Contact: \_\_\_\_\_ Dept/Sub Dept: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

<b>Asset #</b>	
<b>FAMIS Document #</b>	
<b>Asset Description</b>	
<b>Cost</b>	
<b>Manufacturer</b>	
<b>Model #</b>	
<b>Serial #</b>	
<b>Class Code</b>	
<b>Acquisition Date</b>	
<b>In-Service Date</b>	
<b>Availability</b>	
<b>Condition</b>	
<b>FAMIS Dept Code</b>	
<b>Building Number</b>	
<b>Room Number</b>	
<b>Other Location</b>	
<b>Comments</b>	

Sample Form

*Submit completed form to HSC Property Management*

**Report of Missing or Stolen Property**  
Texas A&M Health Science Center Property Management

Department/Sub Department Code: \_\_\_\_\_ Date: \_\_\_\_\_

Asset #: \_\_\_\_\_ Serial #: \_\_\_\_\_

Asset Description: \_\_\_\_\_

Acquisition Cost: \$ \_\_\_\_\_ Acquisition Date: \_\_\_\_\_

Date of Discovery: \_\_\_\_\_ *Missing or Stolen (Circle One)*

Names(s) of last person(s) in custody of asset: \_\_\_\_\_

Please explain:

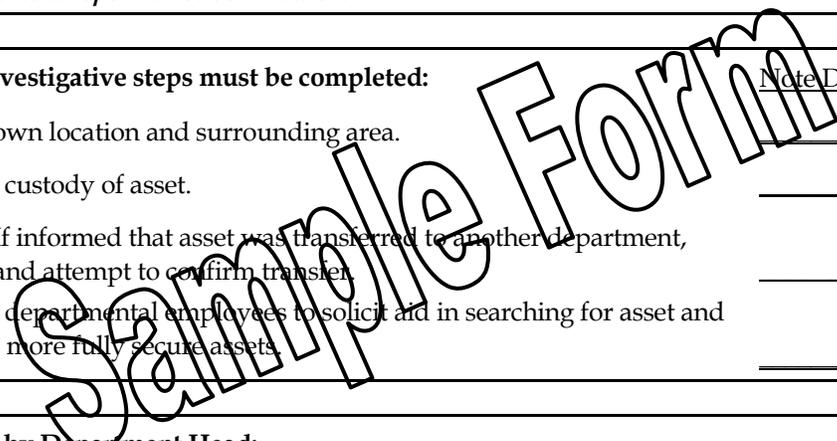
\_\_\_\_\_  
\_\_\_\_\_

**If Stolen:** *Original police incident report must be attached.*

**If Missing: The following investigative steps must be completed:**

Note Date Completed

- Physical search of last known location and surrounding area. \_\_\_\_\_
- Question last person(s) in custody of asset. \_\_\_\_\_
- Follow up on any leads. If informed that asset was transferred to another department, then contact department and attempt to confirm transfer. \_\_\_\_\_
- APO or Alt APO contacts departmental employees to solicit aid in searching for asset and takes corrective actions to more fully secure assets. \_\_\_\_\_



**Signature: To be Completed by Department Head:**

Please check one box. If applicable, indicate "unable to determine" here:

<input type="checkbox"/> Our investigation of the circumstances surrounding the disappearance of the state property listed herein indicates reasonable cause to believe that the loss, destruction, or damage to this property was through negligence of the person(s) charged with the care and custody of this property and is, therefore, being reported as required by Tex. Gov't Code Ann. sec. 403.276(a) and (b).	<input type="checkbox"/> Our investigation of the circumstances surrounding the disappearance of the state property listed herein indicates that the person(s) charged with the care and custody of this property was (were) <b>not</b> negligent to the extent indicated in Tex. Gov't Code Ann.sec. 403.276(a) and (b).
--	---

\_\_\_\_\_  
Date Department Head Signature

**If Recovered: Complete this section and forward to HSC Property Management.**

Location: Bldg.#: \_\_\_\_\_ Room: \_\_\_\_\_ Other Location: \_\_\_\_\_

\_\_\_\_\_  
Date X  
Department Head/ Alt APO Signature



**Loan of TAMUS Health Science Center Property**  
**Texas A&M Health Science Center Property Management**

This completed and signed form documents the loan of the following property:

Asset #	Description (Please include serial number, if applicable)

*Sample Form*

This is a (check one):

Short-term loan (less than 30 days) To be returned on or before: \_\_\_\_\_

Long-term loan (greater than 30 days) To be returned on or before: \_\_\_\_\_

I, \_\_\_\_\_, understand that I am responsible for the property listed above while it is on loan to me. I will exercise reasonable care of this equipment and safeguard it against theft, damage and misuse. I will use this equipment only for activities benefiting TAMUS Health Science Center. I will return the property by the date listed above or upon separation from the TAMUS HSC.

X \_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

Approval of Loan:

\_\_\_\_\_  
 Department Head/ Alt APO Printed Name

\_\_\_\_\_  
 Department Head/ Alt APO Signature

\_\_\_\_\_  
 Date

*Do not submit to HSC Property Management.  
 Please retain for your departmental inventory records.*

Releasing Agency Reference No. \_\_\_\_\_

**Property Transfers**  
**Texas A&M Health Science Center Property Management**  
 (including transfers to HSC Surplus)

Receiving Agency Reference No. \_\_\_\_\_

Name of person preparing form: \_\_\_\_\_  
 Name, Phone Number and Email \_\_\_\_\_

(Information from FAMIS FFX 535 or Canopy)			(Only complete this section if transferring b/w HSC depts or A&M System Members)			
Asset Number	Description	Serial #	Rec. Agency Asset #	New Location		
				Bldg #	Room #	Other Location

*Sample Form*

RELEASING DEPARTMENT/AGENCY: \_\_\_\_\_  
 Campus Code \_\_\_\_\_

FAMIS Dept Code \_\_\_\_\_ Department Name \_\_\_\_\_

Signature of Department Head / Alt APO \_\_\_\_\_ Date \_\_\_\_\_

RECEIVING DEPARTMENT/AGENCY: \_\_\_\_\_  
 Campus Code \_\_\_\_\_

FAMIS Dept Code \_\_\_\_\_ Department Name \_\_\_\_\_

Signature of Department Head / Alt APO \_\_\_\_\_ Date \_\_\_\_\_

Signature of Property Manager \_\_\_\_\_ Date \_\_\_\_\_

Member & Agency Number \_\_\_\_\_

Signature of Property Manager \_\_\_\_\_ Date \_\_\_\_\_

Member & Agency Number \_\_\_\_\_



**Data Disposal Certification**  
**Texas A&M Health Science Center Office of Information Technology**

The Texas A&M Health Science Center is required to certify that all data contained on the hard drive of any computer (such as desktop, laptop, server) or any other storage device has been completely erased before the computer is transferred or sold, whether to a department outside of the HSC, to another state agency, to an outside entity or individual, or to the Texas A&M HSC Surplus Office. The hard drive's software will be deleted by "low-level" re-initializing the drive or by using a utility to recover software or other data from a hard drive and is intended to assure that neither licensed nor confidential information is inadvertently turned-over to unauthorized persons when computers are transferred or sold. If you have any questions regarding this policy or the procedures described, please contact the HSC Help Desk at 800-799-7472.

I, the undersigned, certify that the computer equipment identified below either does not work, does not contain a hard drive, or contains a hard drive that has been irreversibly erased of all software and data as indicated.

\_\_\_\_\_  
 Printed Name of Person Who Sanitized the Drive      Work Order Number

\_\_\_\_\_  
 Technicians' Signature      Date

\_\_\_\_\_  
 FAMIS Department Code & Name

*Sample Form*

Asset Number	Does Not Work	No Hard-Disk Drive	Hard-Disk Drive Erased

**OIT Release of equipment**

The above equipment was released as indicated to the individual below.

\_\_\_\_\_  
 Recipient's Printed Name      Date

\_\_\_\_\_  
 Recipient's Signature

**Property Additions and Deletions**  
**Texas A&M Health Science Center Property Management**

Reference #: \_\_\_\_\_  
 (To be completed by the HSC Property Manager)

Additions			Deletions		
<input type="checkbox"/> Gifts & Other Additions <input type="checkbox"/> Gift <input type="checkbox"/> Other If Gift: <input type="checkbox"/> HSC Foundation <input type="checkbox"/> Research Foundation If Other: Name & Address of Donor: _____ _____ _____ Explanation: _____ _____ _____			<input type="checkbox"/> Sale: Date of Approval Letter _____  <input type="checkbox"/> Trade-In: FAMIS Document # _____ New Inventory # _____  <input type="checkbox"/> Drop Request: <input type="checkbox"/> Dismantled for parts * <input type="checkbox"/> Other: Explain: _____ _____ _____ * Reminder: Follow Surplus procedures for any unused parts not kept in the department.		
Asset Number	Description	Acquisition Date	If Trade-In or Sale: Trade-In Allow/Sale Amount	Asset Value	If Trade-In or Sale: Loss or Gain
Sample Form					
Department Name:			Dept/Subdept Code:		

\_\_\_\_\_  
 APO or Alt APO - Signature

\_\_\_\_\_  
 HSC Property Manager Signature

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Date

TEXAS A&M UNIVERSITY SYSTEM  
HEALTH SCIENCE CENTER

Form 860 – Department Information, Designation & Authority

<b>THIS REQUEST IS TO:</b>	
Set up a new department or subdepartment	Complete sections I, II, III, IV, & V.
Change department information	Complete sections I & V.
Change Department Head	Complete sections I, II, & V.
Designate or change Alt APO	Complete sections I, III, & V.
Update signature authority on paper documents	Complete sections I, IV, & V.

**SECTION I: DEPARTMENTAL INFORMATION**

Department Code:  Mail Stop:

Sub-Department Code:

Department Name:

Department Head: Name:

Title:

UIN:

Phone Number:

E-mail Address:

**SECTION II: ACKNOWLEDGEMENT BY DEPARTMENT HEAD (Accountable Property Officer)**

I hereby acknowledge responsibility for activity on FAMIS accounts belonging to this department. In addition, I accept designation as Accountable Property Officer and assume accountability for the assets belonging to this department. I understand that I am under financial liability for loss or damage to these items if the loss or damage results from my negligence, intentional act, or failure to exercise reasonable care to safeguard, maintain, and service them. If I delegate an alternate APO, I am not relieved of my aforementioned responsibility. Furthermore, I have read and understand Section 3.2.1 of the Policy and Procedures Manual and have received certification for Disbursement Training.

Signature of Department Head:

Date:  X

**SECTION III: DESIGNATION OF ALTERNATE ACCOUNTABLE PROPERTY OFFICER (Alt APO)**

Alternate APO Name:

Title:

FAMIS ID:

UIN:

Phone Number:

E-mail Address:

I hereby acknowledge designation as Alternate Accountable Property Officer for this department and understand that I am to act on the behalf of the Department Head (Accountable Property Officer) in his/her absence.

Signature of Alternate APO:

Date:  X

Department Information, Designations & Authority

SECTION IV: APPROVAL AUTHORITY ON PAPER DOCUMENTS

The signers below are authorized to sign on all accounts belonging to the FAMIS department/sub-department shown in section I of this form. The paper documents this form gives authority for include vouchers, travel advances, fiscal requests, purchasing documents, IDT's, Deposits, and A/R Setups.

I have received certification for Disbursement Training and will approve accordingly.

Name	<input type="text"/>	Signature	<input type="text"/>
Title	<input type="text"/>		
Name	<input type="text"/>	Signature	<input type="text"/>
Title	<input type="text"/>		
Name	<input type="text"/>	Signature	<input type="text"/>
Title	<input type="text"/>		
Name	<input type="text"/>	Signature	<input type="text"/>
Title	<input type="text"/>		
Name	<input type="text"/>	Signature	<input type="text"/>
Title	<input type="text"/>		
Name	<input type="text"/>	Signature	<input type="text"/>
Title	<input type="text"/>		

Sample Form

SECTION V: APPROVAL OF DEPARTMENT HEAD & BUSINESS OFFICER

After reviewing this form, I certify the information and/or changes are correct and may be used as this department's official information, structure, and authority. I have received certification for Disbursement Training.

Signature of Department Head/Director	<input type="text"/>	Date	<input type="text"/>
Signature of Primary Business Officer	<input type="text"/>	Date	<input type="text"/>