

INFORMATION HANDBOOK

State Property

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Accounting

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Responsibility

THE UNIVERSITY OF TEXAS AT AUSTIN

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Introduction

This handbook is for the purpose of informing you in regard to current State laws, rules, regulations, and procedures which must be followed in using and disposing of State property.

House Bill No. 753, enacted by the 52nd Legislature, as amended, establishes the basic guidelines for State property accounting and responsibility. Attached hereto is a copy of the Act, as amended, which reveals responsibilities imposed on all State agencies.

In accordance with the provisions of the Act, the Business Manager has been designated Property Manager for The University of Texas at Austin. However, department heads are responsible for all University property in their care and for the taking of an annual physical inventory at the time and in the manner prescribed by the Director of Accounting.

This designation of Property Manager was made with the understanding that all sales, transfers, and other disposals of University property including write-offs, will be approved by the Director of Physical Plant.

When the 52nd Legislature of Texas enacted House Bill 752, it imposed the following responsibility:

“Sec. 5. Property Responsibility. Each agency head is responsible for the proper custody, care, maintenance, and safekeeping of the State property possessed by his agency.

- (a) Each agency head shall designate either himself or one of his employees as property manager . . .”

Section 7 of House Bill No. 753 contains, among others, the following provision:

As the chairman or administrative head of a department with The University of Texas at Austin, you have been designated as the "property manager" for your department.

"Pecuniary Liability. Where agency property disappears, whether through theft or other cause, as a result of the failure of the agency head, property manager or agency employee entrusted with the property in writing to exercise reasonable care for its safekeeping, such person shall be pecuniarily liable to the state for the loss thus sustained by the State . . ."

In addition to the responsibility of the department heads, the Director of the Physical Plant, and the Business Manager, other duties in regard to the handling of property including the keeping of property inventory records and the prescribing of proper reports from departmental heads have been assigned to the Director of Accounting. Such records are maintained by the Inventory Office which is a division of the Office of Accounting. Most of the information you will desire relative to property will be available in the Inventory Office.

When House Bill No. 753 was enacted by the 52nd Legislature, there was a provision under Section 4 (c) that "Unless the Comptroller prescribes otherwise, personal property shall mean all nonconsumable personal property having a value of Ten Dollars (\$10) or more per unit." This provision was amended by the 61st Legislature to change the value per unit to more than Fifty Dollars (\$50). Thus, all new acquisitions, with some exceptions, costing \$50 or less will be handled as supplies and items now on inventory which are valued at \$50 or less will be deleted from the inventory list. The inventory numbers will be removed from these items and such property will be marked "Property of The University of Texas at Austin." While this procedure will reduce the number of items on inventory and will relieve the accountability of these items, it will continue to be the Department Chairmen's responsibility to assure that such items are retained in the department's custody and are used for the proper purpose.

Accountability and Responsibility for State Property

The President of The University of Texas at Austin or his delegate(s) is responsible for all Real and Personal Property possessed by the University. In accordance with House Bill No. 753, the President has designated the Business Manager as Property Manager, and has delegated responsibility for property accountability to the department heads. The Department Head may not delegate the responsibility for the proper care, maintenance and safe-keeping of State and University owned property assigned to his custody.

When there is a change in department heads, the out-going department head will request that the Inventory Supervisor prepare a receipt and list of the inventory items for which he is accountable. It shall be the sole responsibility of the incoming Department Head to satisfy himself that all items of property listed on the receipt are present and in good condition before signing the receipt, by which act he accepts responsibility for the property.

Purchase of New Equipment

The Inventory Office will audit all purchase vouchers for proper coding of Object Classification of Expenditures. If the expenditure is for the purchase of capital equipment, the Inventory Office will prepare the "Equipment Inventory Work Order" and affix the property control number plate to the property.

Property items purchased at a unit value of \$50 or less will be classified as "other supplies" and coded as *170*. These items will be marked (tagged) "Property of The University of Texas at Austin."

Inventory Numbering

The Inventory Office is responsible for the control of inventory numbers and will assign a number to each item of capital equipment as it is purchased.

Removal of Equipment from Inventory

The causes for removal of equipment from a departmental inventory will usually be in one of the following categories:

1. Equipment transfers to another department without charge.

2. Equipment transfers to another department with charge.
3. Sale of equipment.
4. Trade-in of equipment.
5. Equipment transfers to the "Transfer Storage Department."
6. Equipment to be discarded.
7. Equipment lost.
8. Equipment stolen.

On the following pages procedures are described to be used for each of the above categories.

Transfer of Equipment to Another Department Without Charge

A Report of Transfer of Equipment Form must be used to effect such a change. The required forms are available at the Stenographic Bureau.

These forms must be prepared by the department or agency possessing the equipment. In preparing them each item of equipment must be listed by recording (1) the inventory number, (2) the name, and (3) the inventory value.

The forms must be signed by the chairman or comparable administrative officer transferring the equipment as well as by the chairman or comparable administrative officer of the department to receive the equipment.

All copies of the form after having been signed on behalf of both departments or agencies shall then be forwarded to the Director of Physical Plant for approval and distribution of the forms.

The equipment shall not be transferred until approved copies of the forms have been received by the departments or agencies participating in the transfer.

THE UNIVERSITY OF TEXAS AT AUSTIN DATE _____, 19_____

REPORT OF TRANSFER OF EQUIPMENT

THE FOLLOWING EQUIPMENT HAS BEEN TRANSFERRED

FROM

TO

DEPT. _____

DEPT. _____

ROOM _____ BUILDING _____

ROOM _____ BUILDING _____

EQUIPMENT INVENTORY NUMBER	ARTICLE	INVENTORY CARRYING VALUE

5

THIS FORM IS ALSO TO BE USED BY DEPART-
MENTS FOR EQUIPMENT MOVED FROM ONE
BUILDING TO ANOTHER BUILDING,

REMARKS _____

FOR DEPARTMENT TRANSFERRING EQUIPMENT

FOR DEPARTMENT RECEIVING EQUIPMENT

DUPLICATE FOR DIRECTOR OF PHYSICAL PLANT
TRIPPLICATE FOR DEPARTMENT RECEIVING EQUIPMENT
QUADRUPPLICATE FOR DEPARTMENT TRANSFERRING EQUIPMENT

Transfer of Equipment to Another Department With Charge

Departmental chairmen or comparable administrative officers desiring to transfer equipment to another department with charge shall notify the Purchasing Office of its availability for transfer.

A list of the items available for transfer shall be prepared in quadruplicate and sent to the Purchasing Office. The lists must provide the following information for each item:

- | | |
|------------------|---------------------|
| 1. Description | 4. Acquisition Cost |
| 2. Year Acquired | 5. Price Expected |
| 3. Condition | 6. Inventory Number |

Other departments and agencies will be notified by the Purchasing Office that the equipment listed is available for transfer at the price indicated.

If another department or agency offers to purchase an item, regular *Inter-Departmental Transfer Voucher Forms* shall be used to transfer the equipment and complete information shall be placed on the IDT voucher.

If no other University department or agency offers to purchase the equipment, it may be offered for sale to an outside agency or individual by following the procedure described under *Sale of Equipment*.

INTER-DEPT. TRANSFER VOUCHER

ACCOUNTING VOUCHER NO. T-_____

DATE RECORDED IN ACCOUNTING OFFICE: _____

DATE VOUCHERED _____ 19__ DEPARTMENTAL VR. NO. _____

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THE FOLLOWING INFORMATION MUST BE FURNISHED FOR ORIGINAL ENTRIES BEING ADJUSTED BY THIS IDT:

ACCOUNTING VOUCHER NO. _____ DATE _____ AMOUNT _____ TOTAL _____

ACCOUNT TITLES	ACCOUNT NUMBERS	ACCOUNTING CODES	AMOUNTS
CHARGE:			
CREDIT:			

APPROVED FOR DEPARTMENT BEING CHARGED _____

APPROVED FOR DEPARTMENT RECEIVING CREDIT _____

CHECKED _____

ORIGINAL—FOR OFFICE OF ACCOUNTING

Sale of Equipment

Approval of the Director of Physical Plant must be obtained prior to the sale of any University equipment to any outside agency or individual. Application for such approval in quadruplicate must be made by the departmental chairman or comparable administrative officer providing the following information with regard to each item offered for sale:

- | | |
|------------------------|---------------------|
| 1. Description | 4. Inventory number |
| 2. Date of acquisition | 5. Inventory value |
| 3. Conditions | 6. Price acceptable |

When approval has been given, the Purchasing Office will conduct negotiations for the sale as required by law. A tabulation of the bids received will be transmitted to the departmental chairman or comparable administrative officer for recommendations. A sale shall be made only if the departmental chairman or the comparable administrative officer and the Director of Physical Plant agree that the price is reasonable.

Such a sale may not be made to an individual employed by The University of Texas at Austin without first having received the approval of the Board of Regents of The University of Texas System for that specific sale.

If the equipment is sold, the Inventory Office shall be notified by the departmental chairman or comparable administrative officer by letter providing the following information in duplicate:

1. Inventory number
2. Date sold
3. Description of each item
4. Amount received for each item and deposited with the Bursar's Division of the Office of Accounting.

The letter of notification and the inventory number plate, where such a plate was used to identify a piece of equipment, shall be sent to the Inventory Office for each item sold.

Monies received from the sale of property originally purchased by an auxiliary or service department will be credited to that department. Otherwise, proceeds from such sales will be credited to sales and services. Such credits do not increase departmental operating budgets.

Employees of The University of Texas at Austin may purchase any item of property which is offered for sale to the public provided that:

- (1) The items are sold on a bid basis only, and
- (2) The Board of Regents approval has been obtained.

Part II, Chapter III, Section 6 of the *Regents' Rules and Regulations* states: "Sales of surplus equipment may be made to employees of The University of Texas System or of any of its component institutions only after authorization by the Board of Regents through docket approval."

If an employee is successful in his bid to purchase such equipment, removal of the equipment will be delayed until Board approval is obtained. This procedure is necessary in order to comply with the aforementioned regulation.

Trade-in of Equipment

When equipment is traded in on new equipment, a description of the item to be traded in including the inventory number shall be shown on the requisition for each purchase of such new equipment. The same information shall appear on the purchase voucher.

Before an item of equipment is relinquished, the inventory number plate must be removed and sent without loss of time to the Inventory Office.

Equipment Transfers to Transfer Storage Department

In the event property which is no longer needed by the department is not sold, transferred to another department, or traded in, then the property should be transferred to the Transfer Storage Department. The procedure for handling such transfers are the same as described for "EQUIPMENT TO BE DISCARDED."

Equipment to be Discarded

Extraordinary care must be given to the manner in which equipment no longer needed is discarded. When equipment becomes obsolete, broken beyond reasonable repair, or otherwise useless, the departmental chairman or comparable administrative officer shall prepare a *Report of Transfer of Equipment Form* for transfer to the Transfer Storage Department. The *Report of Transfer of Equipment Form* duly executed shall be sent to the Director of Physical Plant who will have the equipment picked up.

The inventory number must be left on each item. The equipment shall be transferred to the Physical Plant in the best condition possible and under no circumstances shall parts be removed nor shall any piece of equipment be cannibalized.

If the best interests of The University of Texas at Austin can be served by the removal of parts from an item of equipment before a transfer is

made, the chairman of the department or comparable administrative officer shall recommend to the Director of Physical Plant that a cannibalization operation be approved with the understanding that the chairman or comparable administrative officer will later provide a certified statement that the item was dismantled in order that parts might be used to construct or repair other equipment. The actual cannibalization operations shall not be undertaken until the approval of the Director of Physical Plant has been obtained.

If the Director of Physical Plant authorizes the removal of the articles from the departmental inventory, the department will be notified by an approved copy of the *Report of Transfer of Equipment Form*.

Worn, obsolete, unserviceable and otherwise useless equipment shall not be disposed of by any other procedure. If for any reason the transfer is not finally effected, the departmental chairman or comparable administrative officer will be notified.

Equipment Lost

When a departmental chairman or comparable administrative officer becomes aware of the fact that an item of equipment is not in its accustomed place, a diligent search shall be continued until the item of equipment is found or until it is established that the equipment is lost.

When it has been definitely determined that the equipment item is lost, the departmental chairman shall report such loss to the Inventory Supervisor. A *Request for Removal of Equipment from Departmental Records Form* (Section B) shall be used to report such loss. This form must be prepared in quadruplicate.

The University is required to report the loss of items of equipment to the State Auditor, and if he, in review of the facts of the case, should determine that an injury has been sustained by the State through the fault of a state official or employee, the State Auditor will make a written demand upon such state official or employee for reimbursement to the State for the loss so sustained. The Inventory Supervisor will, if circumstances warrant, give approval for the deletion of the articles lost from the departmental inventory by sending to the department an approved copy of the *Request for Removal of Equipment From Departmental Inventory Records Form*.

Equipment Stolen

It is the responsibility of the departmental chairman or comparable administrative officer to report immediately any articles of equipment

which are stolen from the premises of The University of Texas at Austin. A preliminary report shall be made by telephone to the Chief Traffic and Security Officer in order that an immediate investigation may be started by the Campus Security staff, the Austin Police, and Travis County Sheriff. A written report shall be sent to the Chief Traffic and Security Officer, Service Building, Room 22, with a carbon copy of the report to the Director of Physical Plant at Service Building, Room 109.

If the stolen equipment is not recovered in a reasonable period of time, the departmental chairman or comparable administrative officer shall then submit a *Request for Removal of Equipment From Departmental Inventory Records Form* (Section B) duly executed in quadruplicate to the Inventory Supervisor.

THE UNIVERSITY OF TEXAS AT AUSTIN
Austin, Texas

Date.....19.....

Request for Removal of Equipment from Departmental Inventory Records
(Use separate form for items in different categories)

TO: Property Manager

I request that the item (or items) listed and described below be removed from the inventory of
.....department

Equip. Inv. No.	Surp. Prop. Order No.	Date Acquired	Description of Article	Value	Present Location
				\$	

Section A

For Obsolete, Unserviceable, or Surplus Property Only:

I have personally examined the item (or items) and request this deletion for the following reasons:

.....
It is my opinion that no student, employee or other person should be required to reimburse the State for the value of this item (or items).

Disposition suggested:

Estimated value of parts, if dismantled:

Section B

For Lost or Stolen Property Only:

Date item (or items) were last observed by responsible person

Effort made to locate item (or items)

.....
In my opinion reasonable care for the safekeeping of the item (or items) has been exercised.

Signed:
Departmental Chairman or Comparable
Administrative Officer

Approval Recommended:
Section A—Director of Physical Plant
Section B—Inventory Supervisor

Approved:
Property Manager

For State Auditor

Other Transactions Relating to Equipment

1. Transfers from Transfer Storage
2. Removal of State Property From the Premises
3. Loaned Equipment
4. Government Surplus Property
5. Federal Research Grants Equipment
6. Departmental Property Records
7. Adjustments
8. U.S. Government Owned Equipment

On the following pages procedures are described for use in the case of each of the above categories.

Transfer from the Transfer Storage Department

Equipment items stored in the Transfer Storage warehouse are available, without cost, for transfer to those departments in need of such equipment. Requests must be submitted in writing to the Office of Superintendent of Buildings and Grounds identifying completely the items desired and justification of their need. The Office of Superintendent of Buildings and Grounds will be responsible for initiating the *Report of Transfer of Equipment Form*. Arrangements for inspection of this equipment may be made by contacting the Office of the Superintendent of Buildings and Grounds.

Periodically, the Superintendent of Buildings and Grounds will review all items in Transfer Storage and advise the Property Manager of those items which have been in storage for a period in excess of ninety days. The purpose is to review, for possible removal from the inventory, those items which are serviceable but have no further value to the University. Part II, Chapter VII, Section 10, paragraph 10.2 of the *Regents' Rules and Regulations* states: "If the Business Officer shall determine that the equipment is not needed for any department and that it is not practicable to store the equipment for possible future use, he shall proceed to sell the item concerned." In compliance with this regulation the method for removing such items will be a public sale. See description of procedure for sale of equipment.

The Office of Superintendent of Buildings and Grounds will be responsible for constant surveillance of the Transfer Storage inventory for items which are damaged and broken beyond repair. If such items are present, he will initiate a *Request for Removal of Equipment From Departmental Inventory Records Form* (Section A). The Inventory Office

will prepare, monthly, an Inventory Deletion Request (Form CI-1B) to the State Auditor's Office requesting that these items be removed from inventory. Upon receipt of approval from the State Auditor, the Inventory Office will have such items removed.

Removal of State Property from the Premises

State property in the possession of The University of Texas at Austin may be removed from the campus only for official business of the University. When it is so removed, the individual removing it must assume pecuniary responsibility unless he is otherwise specifically relieved of such responsibility by appropriate administrative officers.

If such state property is to be removed, the departmental chairman or comparable administrative officer must prepare in quadruplicate a *Removal of Equipment From University Campus Form*. Such forms may be obtained from the Stenographic Bureau. On this form the departmental chairman or comparable administrative officer must do the following:

1. Certify that the property being removed will be used for the purpose of conducting official University business.
2. Provide the address where equipment is to be taken.
3. Provide number and title of account to which the required insurance is to be charged if applicable.
4. Provide name and title of person responsible for equipment while it is removed from the campus.
5. Provide date upon which equipment will be removed from the campus.
6. Provide date by which equipment removed will be returned to campus.
7. Date and Sign the Request.
8. List on the form the following information for each article:
 - a. The inventory number
 - b. Date of acquisition
 - c. Description
 - d. Inventory value
 - e. Replacement cost

The prepared form must be sent to the Director of Physical Plant for approval.

If approval of such a removal is given by the Director of Physical Plant and the value of any article or the articles combined is greater than \$50.00, then the equipment being removed must be insured. The departmental

chairman or comparable administrative officer must authorize the Purchasing Agent to take out such insurance in the name of the Board of Regents. The premium of such insurance policy or policies must be paid out of an account which the departmental chairman or comparable administrative officer has the authority to encumber.

The articles of equipment shall not be removed from the campus until the departmental chairman has received from the Purchasing Agent an approved copy of the *Removal of Equipment From University Campus Form* showing that the property is covered by an insurance policy.

In instances in which the character of the work conducted is such that inventory items must be used repetitively, the authority granted will be such as to make frequent requests for permission unnecessary. The insurance coverage must, however, be established to cover the repetitive removals.

Removal of Equipment From University Campus

The Undersigned requests authorization to remove from the Campus of The University of Texas at Austin, the equipment listed below belonging to Department, for the following purposes:

.....

(If more space is required, please attach additional sheet.)

The Undersigned certifies that:

1. The purpose or purposes listed above constitute official business of The University of Texas at Austin.
2. The equipment removed will be taken to.....

3. The number and title of the account to which the required insurance premium is to be charged are as follows:
4. Name and title of person responsible for equipment while it is removed from the campus:

 (Name) (University Title)
5. Date upon which equipment will first be removed from the campus:
6. Date by which equipment removed will be returned to the campus:

Date of Request Signature
Departmental Chairman or Comparable
Administrative Officer

<i>Item Inv. No.</i>	<i>Date Acquired</i>	<i>Description</i>	<i>Inventory Value</i>	<i>Replacement Cost</i>
----------------------	----------------------	--------------------	------------------------	-------------------------

Removal Approved By:	Insurance Coverage Obtained:
Director of Physical Plant	Purchasing Agent

For Director of Physical Plant

Loaned Equipment

A department may loan property to another department to be used for State purposes only; it is the responsibility of the department loaning the equipment to prepare, have duly signed, and distribute the *Receipt For Equipment Loaned or Returned Form*. When property has been returned to the department which loaned it, another such form shall be prepared, signed and distributed in order that the borrower may be relieved of responsibility. Forms for these purposes are available in the Stenographic Bureau.

When property is loaned to another state agency, the above must be followed and the procedure for "REMOVAL OF STATE PROPERTY FROM THE PREMISES" must be complied with.

Original for Department

THE UNIVERSITY OF TEXAS AT AUSTIN RECEIPT FOR EQUIPMENT LOANED OR RETURNED

(To be used when equipment is removed from or returned to the department)

H.B. 753 Sec. (5) "No person shall entrust State Property to any official or employee or to anyone else to be used for other than State purposes."

FROM DEPT. To PERSON DEPT. (PRINT)

Table with 3 columns: EQUIP. INV. NUMBER, DESCRIPTION, SERIAL NO. Multiple empty rows for data entry.

18

Where University property is damaged or destroyed as a result of an intentional wrongful act or negligent act of any official or employee, that person shall be pecuniarily liable to The University of Texas at Austin for loss sustained.

Use this space for equipment returned

Use this space for equipment loaned

Date

Date

Returned To

Loaned To

(Signature)

(Signature)

Government Surplus Property

When equipment acquired from U. S. Government Surplus Property sources is no longer wanted by a department or agency, the departmental chairman or comparable administrative officer shall prepare a list of such equipment showing the following information for each item:

1. Inventory number
2. Surplus property order number
3. Date acquired
4. Description of article
5. Value shown on inventory
6. Estimated actual value
7. Present location

This list in quadruplicate with a *Report of Transfer of Equipment Form* duly executed shall be sent to Surplus Property Acquisition Officer. At his direction the equipment shall be sent to the Surplus Property Acquisition Officer.

The equipment shall be transferred back to the source from which it came in the best condition possible. Under no circumstances shall parts be removed nor shall any piece of equipment be cannibalized without first having obtained the approval of the Surplus Property Acquisition Officer.

If the Surplus Property Acquisition Officer authorizes the removal of the articles from the departmental inventory, the department will be notified by an approved copy of the *Report of Transfer of Equipment Form*.

Equipment Acquired under Federal Research Grants

Some grants include a condition that equipment acquired with grant funds will be made available for transfer upon request by the awarding agency, unless such transfer is precluded by statute. The principal circumstance under which a necessity for transfer may arise is when the principal investigator, engaged in the project for which the equipment was acquired, transfers to another institution and a grant is made to the new institution to continue the project.

Transfer of equipment to another institution must be made pursuant to a grant award which includes an authorization to assume title and establishes accountability for the equipment. The relinquishing institution shall be required to provide the receiving institution and the awarding agency with a listing of the items of equipment, their dates of purchase and ac-

quisition cost. The recipient institution shall formally acknowledge receipt of such equipment and shall furnish copies of the acknowledgment to the awarding agency. The principal investigator should secure approval from the awarding agency if the cost of transferring the equipment is to be paid for from grant funds.

Despite the transfer of the principal investigator to another institution, equipment need not generally be transferred if:

- (1) the original grantee retains the project for which the equipment was acquired, and, with the approval of the awarding agency, places the project under the direction of a new investigator; or
- (2) the cost of transferring the equipment, as determined by the awarding agency; would be excessive relative to its then current value; or
- (3) the new grantee does not require the equipment in order to continue the project.

In order to transfer the equipment, the principal investigator shall submit a letter to the Business Manager through the departmental chairman requesting approval to transfer the laboratory equipment. The letter should include the grant number and name, the name of the receiving institution, and the name and title of the official authorized to assume title of the equipment. Attached to this letter should be a copy of the letter from the Granting Agency authorizing the transfer of the grant and equipment to the receiving institution.

A list of the equipment must be submitted with the request letter which shows:

1. Inventory number
2. Description
3. Year acquired
4. Acquisition cost

The equipment shall not be removed from the campus until the departmental chairman has received from the Business Manager a memorandum authorizing the transfer. At this time the inventory plates shall be sent to the Inventory Office.

Departmental Property Records

It is the responsibility of the head of each department to see that accurate records are maintained concerning changes in Departmental Inventories. The Inventory Office will assist any department in establishing

or maintaining their Departmental Records.

The various types of transactions which can effect a change in the Departmental Inventory have been assigned a code. These codes and their meanings are as follows:

<i>Code</i>	<i>Meaning</i>
1	Purchases
2	Gifts
3	Constructed
4	Transfers-in
5	Transfers-out
6	Sold or Traded-in
7	Worn out, Discarded, or Stolen

Once each year each department will make a physical inventory of the property assigned to it. Part II, Chapter VII, Section 3, paragraph 3.2, the *Regents' Rules and Regulations* states: "Department Heads are responsible for all University property in their care and *for the taking of the inventories on the prescribed record forms. . .*" In accordance with this regulation the Inventory Office will provide each department with a listing in inventory number sequence of all property assigned to it. The Departmental Chairman or comparable administrative officer will complete the Report of Departmental Equipment noting thereon any exceptions to the listing of property as received.

Adjustments

Occasionally the need will arise to alter the description of an item on inventory or to effect a change in the value of an item due to partial deterioration of or combination with another item. To accomplish this, the department will report on *Report of Departmental Equipment Form*, Section 3, the item(s) involved and the reason for the adjustment or change.

U. S. Government Owned Equipment

Procedures for accounting for U. S. Government owned property are contained in the publication entitled: *Procedures for Acquisition, Inventory Control and Management of Government Property*, The University of Texas at Austin, dated March 19, 1971.

THE UNIVERSITY OF TEXAS AT AUSTIN
REPORT OF INVENTORY OF DEPARTMENTAL EQUIPMENT

To the Director of Accounting:

This is to certify that a physical check of the inventory of equipment of the.....

.....Department was made on

(dates), and that the inventory as shown on our departmental

Listing is correct except as shown below.

Signed
Chairman or Head of Department.

1. EQUIPMENT NOT INCLUDED ON LISTING:

NOTE.—Be sure to include under 1 all permanent equipment made in the department, giving the cost of material and labor. Also include here any permanent equipment acquired by gift, giving an estimate of the value.

DESCRIPTION	HOW AND WHEN ACQUIRED	COST OR ESTIMATED VALUE
		\$

2. ITEMS TO BE DELETED FROM LISTING:

NOTE.—All items to be reported as lost, sold, or discarded are to have prior written approval of the Director of Physical Plant.

CARD NUMBER	NAME OR DESCRIPTION	HOW AND WHEN DISPOSED OF	TOTAL COST PER CARD
			\$

3. ADJUSTMENTS OF RECORDED EQUIPMENT COST AND REMARKS.

Should additional space be needed please attach extra sheets to this report.

State Property--Accounting--Responsibility

Chapter 356, H. B. No. 753, 52nd Legislature, R. S., 1951, As Amended
(Art. 6252-6 V. C. S.)

AN ACT providing for the accounting and responsibility for and use of State property possessed by State Departments, agencies, boards and instrumentalities; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Legislative Finding and Purpose

Section 1. The Legislature finds that the State has a very substantial investment in real and personal property and that a substantial portion of the annual income of the State is spent to acquire property for State purposes and to maintain State property. The purpose of this Act is to establish a system for the orderly accounting for State property, to establish responsibility for the maintenance and care of State property and to prescribe the method of fixing pecuniary liability for the misuse of State property by officials and employees. The principles embodied in this Act are now found in the common law and Statutes of this State; this Act restates those principles and prescribes the implementing procedures. The State has a real interest in its property and is entitled to having it managed and used in a sound and businesslike manner so that the maximum benefits may be obtained from it and the State's investment therein protected.

Definitions

Sec. 2. The provisions of Articles 10, 11, 12, 14, 22, and 23, Revised Civil Statutes of Texas, 1925, and Acts, Fiftieth Legislature, 1947, Chapter 359,¹

¹ Article 23a.

on the interpretation of Statutes shall apply specifically to this Act. In addition to these standard definitions, in this Act, unless the context otherwise requires:

(a) "Agency" shall include any State department, agency, board or other instrumentality, whether it is financed in whole or part by funds appropriated by the Legislature or not; but shall not include local political subdivisions of the State, such as counties, cities, towns, school districts, flood control districts, irrigation districts, and the like.

(b) "Agency head" shall mean the full-time State elected or appointed official or officials who administer the agency or the executive who has been appointed to administer the agency by a part-time State elected or appointed official or officials.

Property Accounting

Sec. 3. All real and personal property belonging to the State shall be accounted for by the head of the agency which has possession of the property.

(a) The Comptroller of Public Accounts shall administer the property accounting system established by this Act. The State Auditor shall administer the property responsibility system established by this Act. The Comptroller shall issue such rules and regulations and manual of instruction and prescribe such records, reports, and forms as he deems necessary to accomplish the objects of this Act subject to the approval of the State Auditor. The State Auditor is directed to cooperate with the Comptroller in the exercise of the Comptroller's rule-making powers herein granted by giving technical assistance and advice.

(b) The Comptroller shall maintain a complete and accurate set of centralized records of State property. However, where the Comptroller finds that an agency has demonstrated its ability and competence to maintain complete and accurate detailed records of the property it possesses without the detailed supervision by the Comptroller, the Comptroller may direct that the detailed records be kept at the principal office of such agency. Where the Comptroller issues such order, the Comptroller shall keep only summary records of the property of such agency and the agency shall keep such detailed records as the Comptroller directs and furnish the Comptroller with such reports at such times as the Comptroller directs.

(c) Each agency head shall cause each item of State property possessed by his agency to be marked so as to identify it. The agency head shall follow the instructions issued by the Comptroller in marking State property.

Agencies and Property Subject to Control

Sec. 4. (a) All State agencies shall comply with the provisions of this Act and shall keep the property records required by the Act.

(b) All real property owned by the State shall be accounted for by the agency which possesses the property. However, the real property administered by the General Land Office shall be accounted for by that office and not by the system prescribed in this Act, and the real property administered by the permanent funds established by the Legislature and people shall be accounted for by the agency now charged with its administration and not by the System prescribed in this Act.

(c) All personal property owned by the State shall be accounted for by the agency that possesses the property. The Comptroller shall by regulation define what is meant by personal property for the purposes of this Act, but such definition shall not include non-consumable personal property having a value of Fifty Dollars (\$50.00) or less per unit. In promulgating such regulations, the Comptroller shall take into account the value of the property, its expected useful life, and the cost of record keeping should bear a reasonable relationship to the cost of the property upon which records are kept. The Comptroller shall consult with the State Auditor in making such regulations and the Auditor shall cooperate with the Comptroller in the exercise of this rule making power by giving technical assistance and advice. As amended Acts 1969, 61st Leg., Ch. 84, S. B. 330.

(d) All medical, surgical, technical equipment and supplies provided by the Texas State Department of Health to Local Public Health Units, Local Public Health Laboratories, states institutions, and non-profit institutions, contributing to the promotion and maintenance of public health by the usage of such medical, surgical, technical equipment and supplies shall be accounted for by that Department and not by the system prescribed in this Act.

And providing further, that all medical, surgical, technical equipment and supplies provided by the Texas State Department of Health to Local Public Health Units, Local Public Health Laboratories, state institutions, and non-profit institutions, contributing to the promotion and maintenance of public health by the usage of such medical, surgical, technical equipment and supplies which are now being accounted for and complying with the provisions under the present system of accounting shall be deleted from and not required after the passage and the effective date of this Act.

Provided, however, the State Department of Health shall maintain at all times a complete record of such medical, surgical, technical equipment and supplies provided and such records shall be verified by the State Auditor and available to the Federal Auditors for the Agency of the Federal Government making such grants for assistance in the purchase of such medical, surgical, technical equipment and supplies. Added Acts 1961, 57th Leg., p. 165, ch. 85, §1.

Property Responsibility

Sec. 5. Each agency head is responsible for the proper custody, care, maintenance, and safekeeping of the State property possessed by his agency.

(a) Each agency head shall designate either himself or one of his employees as property manager. The Comptroller shall be informed in writing by the agency head of the name of the property manager and shall be informed of any changes. Where the Comptroller finds that convenience and efficiency will be served, he may permit more than one property manager to be appointed by the agency head.

(b) The property manager shall maintain the required records on all property possessed by the agency and shall be the custodian of all such property.

(c) No person shall entrust State property to any State official or employee or to anyone else to be used for other than State purposes.

(d) When an agency's property is entrusted to some person other than the property manager, the property manager shall require a written receipt for such property executed by the person receiving custody of the property. When the possession of property of one agency is entrusted to another agency on loan, such transfer shall be done only when authorized in writing by the agency head who is lending such property and the written receipt shall be executed by the agency head who is borrowing such property. The property manager is relieved of the responsibility for property which is the subject of such a receipt.

(e) Each agency shall make a complete physical inventory of all property

in its possession once a year. The inventory shall be taken on the date prescribed for the agency by the Comptroller.

(f) The agency head shall forward a signed statement describing the method by which the inventory was verified, along with a copy of such inventory within forty-five (45) days after the inventory date for the agency.

(g) The Comptroller shall supervise the property records of each agency so that the records accurately reflect the property currently possessed by the agency. The Comptroller shall prescribe the methods whereby items of property are deleted from the property records of the agency. Property that has become surplus, or obsolete and no longer serviceable and has been turned over to the Board of Control for disposal under the laws relating thereto shall be deleted from the Comptroller's records upon the authorization of the Board of Control. Property that is missing from the agency or property that is disposed of directly by the agency in a legal manner shall be deleted from the Comptroller's records upon the authorization of the State Auditor. As amended Acts 1953, 53rd Leg., p. 503, ch. 181, §2.

Transfer of Property to Incoming Agency Head

Sec. 6. When there is a change in agency heads or property managers, the incoming agency head or property manager shall execute a receipt for all agency property accounted for to the outgoing agency head or property manager. A copy of such receipt shall be delivered to the Comptroller, to the State Auditor and to the outgoing agency head or property manager. No further warrants in favor of the outgoing agency head or property manager shall be drawn or paid until the State Auditor has certified that the agency property has been properly accounted for. The State Auditor may make this certification without requiring that a physical inventory be taken.

Pecuniary Liability

Sec. 7. Where agency property disappears, whether through theft or other cause, as a result of the failure of the agency head, property manager or agency employee entrusted with the property in writing to exercise reasonable care for its safekeeping, such person shall be pecuniarily liable to the State for the loss thus sustained by the State. Where agency property deteriorates as a result of the failure of the agency head, property manager or agency employee entrusted with the property in writing to exercise reasonable care to maintain and service the property, such person shall be pecuniarily liable to the State for the loss thus sustained by the State. Where agency property is damaged or destroyed as a result of an intentional wrongful act or of a negligent act of any State official or employee, such person shall be pecuniarily liable to the State for the loss thus sustained by the State. The liability prescribed by this Section may be found to attach to more than one person in a particular instance; in such cases, the liability shall be joint and several.

Reports—Investigation

Sec. 8. When any State property has been lost, destroyed or damaged through the negligence or fault of any State official or employee, the agency head responsible for such property under the provisions of this Act shall immediately report such loss, destruction, or damage to the State Auditor. Upon learning in any manner of such property loss, destruction, or damage, the State Auditor shall investigate the matter. If the investigation discloses that an injury has been sustained by the State through the fault of a State official or employee, the State Auditor shall make written demand upon such State official or employee for reimbursement to the State for the loss so sustained.

Enforcement of State's Claim

Sec. 9. In case the demand made by the State Auditor, in accordance with this Act, for reimbursement for property loss, destruction, or damage is refused or disregarded by the State official or employee upon whom such demand is made, the State Auditor shall report the facts to the Attorney General. If, after an investigation of the facts, the Attorney General finds that legal liability may be adjudged against the State official or employee, he shall take such legal action to recover the monetary loss of the State property occasioned by the loss, damage or destruction as in his opinion may be deemed necessary. Venue for all such suits instituted against a State official or employee shall lie in the Courts of appropriate jurisdiction of Travis County.

Sanctions

Sec. 10. When any agency fails to keep the records required under the provisions of this Act or fails to take the annual physical inventory, the Comptroller may refuse to draw any warrants on behalf of such agency.

Information Copy to State Employees

Sec. 11. Each agency head shall distribute a copy of this Act to each official and employee of his agency and shall give a copy to each new employee of the agency.

Chapter 302, S. B. No. 235, 56th Legislature, R. S., 1959
(Art. 6252-6a. V. C. S.)

Inter-agency transfer of personal property

Section 1. Any agency of the State of Texas as defined by Section 2 of this Act is hereby authorized to transfer any personal property of the state under its control or jurisdiction to any other agency of the State of Texas as defined by Section 2 of this Act, with or without reimbursement between the agencies; provided, however, that the provisions of this Act shall not apply to any real property.

When any personal property under the control or jurisdiction of one agency is transferred to the control or jurisdiction of any other agency pursuant to the provisions of this Act, such transfers shall be immediately and simultaneously reported to the Comptroller of Public Accounts by the transferrer and the transferee on forms prescribed by the Comptroller of Public Accounts, and it shall be the duty of the Comptroller of Public Accounts to adjust the inventory records of the agencies involved in making the transfer. Whenever any transfer made pursuant to this Act is made with reimbursement from funds deposited in the State Treasury, the transferee shall issue a P-1 Voucher payable to the transferrer, and the Comptroller of Public Accounts shall issue warrants for reimbursement.

Sec. 2. The term "agency" includes any department, board, bureau, commission, court office, institution, university, college and any service or part of a state institution of higher education.

Sec. 3. The provisions of this Act shall be cumulative of all other laws or parts of laws and all agencies shall have the power to make transfers provided for in Section 1 of this Act independent of any other law general or special.

