

**ADMINISTRATIVE PROCEDURES**

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| **30.02 Equipment Management**  | **Revised: November 3, 2023** |

1. GOVERNING REGULATIONS

 These procedures supplement System Regulation [21.01.09](http://policies.tamus.edu/21-01-09.pdf) *Fixed Asset Management*, Administrative Procedure [50.01](https://tfsfinance.tamu.edu/modules/finance/admin/admin_procedures/5001%20Resp%20for%20Info%20Resources.docx) *Responsibilities for Electronic Information Resources*, the System [*Asset Management Manual*](http://www.tamus.edu/assets/files/budgets-acct/pdf/Asset_Mgmt_Manual.pdf) and the *[State Property Accounting (SPA) Process User's Guide](https://fmx.cpa.texas.gov/fmx/pubs/spaproc/index.php)*[.](https://fmx.cpa.texas.gov/fmx/pubs/spaproc/index.php)

1. DEFINITIONS

2.1 Agency – Texas A&M Forest Service

2.2 Capitalized Asset – Equipment with a value of $5,000 or more and an estimated useful life of more than one year.

2.3 Controlled Asset – Equipment with a value of less than $5,000, an estimated useful life of more than one year and which, due to its sensitive nature, must be inventoried and reported in FAMIS. The State Comptroller requires state agencies to control the following items with an acquisition cost of $500.00 to $4,999.99: data projectors, sound systems/other audio equipment, portable cameras, TV/video players/ recorders, smartphones/other handheld devices. All firearms, microcomputers (laptop & desktop), tablets, and drones with an acquisition cost of $0 to $4,999.99.

2.4 Equipment – Any possession owned by or entrusted to a Member of The Texas A&M University System of sufficient value to warrant inclusion in fixed asset financial reports or, due to the nature of the asset, required to have management controls placed on it. Equipment does not include consumable items or real property. Equipment can be either a capitalized asset or controlled asset.

2.5 Missing Equipment – Equipment which has disappeared without explanation.

2.6 Inventoried Equipment – Controlled or capitalized assets.

2.7 Permanently Affixed – Removable only through considerable or intentional means (regarding inventory tags or other markings).

2.8 Personal Property – Equipment.

2.9 Real Property – Land, buildings, improvements to land or buildings, and infrastructure.

2.10 Salvage – Equipment that, through use, time or accident, is so depleted, worn out, damaged, consumed or outdated that it is obsolete and/or can no longer serve the purpose for which it was originally intended.

2.11 Sensitive Item – Equipment that is potentially harmful or hazardous or is of high monetary value and easily disposed of or converted to unauthorized use.

2.12 Stolen Equipment – Equipment missing by theft, whether by forced removal, burglary, employee theft, or other criminal acts.

2.13 Surplus Equipment – Equipment in excess of the current or foreseeable needs. Surplus property may be new or used, but must have additional useful life.

2.14 Trade-in – Surplus or salvage property that is exchanged for new property of the same general type.

3. ASSIGNMENT OF RESPONSIBILITIES

3.1 Property Manager – Individual responsible for the overall management of the central inventory records. The Director has designated the Financial Accountant responsible for property in the Payroll and Support Services Department as the Property Manager.

3.2 Accountable Property Officer (APO) **–** Individual responsible for the physical possession and control of equipment entrusted to a department’s activities. Each department head, program manager, or chief is responsible for identifying the department’s APO. Each APO will be required to complete the Accountable Property Officer Training and complete the APO responsibility certification in TrainTraq.

3.3 Alternate Accountable Property Officer (AAPO) – Individual designated by the APO to perform the daily functions of property management for a department. More than one AAPO may be assigned for a department with multiple operating locations. Each AAPO will be required to complete the Alternate Accountable Property Officer Training and complete the AAPO responsibility certification in TrainTraq.

3.4 Surplus Property Coordinator – Individual responsible for the management and disposal of salvage and surplus equipment other than surplus data processing equipment.

3.5 Employee – Each employee is responsible for appropriate use of equipment and reasonable care in its safekeeping. Each employee will be required to complete the General Property Awareness Training in TrainTraq.

4. ACQUISITION OF EQUIPMENT

4.1 To the extent possible, capitalized and controlled assets should be requisitioned through the Purchasing Department.

4.2 The Purchasing Department provides a copy of the purchase order to the Property Manager. The Property Manager assigns an inventory number to the purchase order and forwards an inventory tag to the department that will receive the asset.

4.3 The department keeps the inventory tag until the equipment is received. The inventory tag must be permanently affixed to the equipment promptly on receipt but not later than ten calendar days after receipt, unless prevented by unusual circumstances.

4.4 If an inventoried asset is acquired through a delegated purchase, the receiving department contacts the Property Manager and provides the FAMIS document number (L-doc number) when the equipment is received. If a State credit card is used to procure an inventoried asset, the receiving department contacts the Property Manager. An inventory number will be assigned and an inventory tag will be sent to the department. The tag should be affixed to the equipment immediately. (See Section 14 – Tagging of Equipment.)

4.5 After the equipment is received, an [Equipment Information Sheet](http://tfsfinance.tamu.edu/modules/finance/admin/procedures/Equipment%20Information%20Sheet.docx) is completed. The amount on the Equipment Information Sheet must equal the capital and controlled expense object class codes on the payment document. The cost of the equipment includes all costs for putting the item into service, including freight charges, equipment set-up charges and training fees, but does not include consumable items such as printing ribbons, cartridges, etc. Maintenance agreement costs are not to be included in the cost of the asset.

4.6 The Property Manager enters the equipment information into the property records after the payment document is paid. The APO receives a monthly report indicating the additions/deletions to the department’s inventory and verifies all information against the equipment (not the invoice) to be sure it is correct. Discrepancies should be reported to the Property Manager.

5. TRADE-IN

5.1 The trade-in of equipment must be approved in advance by the Purchasing Department Head.

5.2 Equipment that has been traded-in on the purchase of new equipment must be documented by the APO or AAPO by completing a [Property Deletion Request](http://tfsfinance.tamu.edu/modules/finance/admin/procedures/Property%20Deletion%20Request.docx) form and attaching it to the Equipment Information Sheet and purchase voucher for the new equipment.

5.3 The Property Manager will update the inventory records for both the addition and the deletion.

6. FABRICATION OF EQUIPMENT

6.1 Fabrication (including construction, assembly, and manufacture) of equipment is the result of combining individual components to make a single tangible asset. The components must work together to perform one function, and the asset should retain its configuration during use. An example of fabrication of a capitalized asset is as follows:

Shop personnel fabricate a custom truck bed to permanently affix to a new cab/chassis. The custom truck bed is designed to haul agency dozers. The cost of the materials for the fabricated truck bed and the purchase price of the cab/chassis are combined to reflect the total cost of the truck.

6.2 The normal purchasing guidelines must be followed for fabricated equipment. Items fabricated that meet the capitalization or controlled equipment requirement must be coded accordingly.

6.3 The department fabricating the equipment should contact the Property Manager for specific guidance and to obtain a construction-in-progress account to track expenditures for the fabrication project if needed.

6.4 When the equipment is placed into service, the Property Manager enters the equipment information into the accounting and property records. An inventory number will be assigned and an inventory tag will be sent to the department. The tag should be affixed to the equipment immediately. (See Section 14 – Tagging of Equipment.)

7. GIFTS

7.1 When equipment is donated or consigned to the agency, the receiving department must complete an [Intended Gifts Approval](http://tfsfinance.tamu.edu/modules/finance/admin/procedures/Intended%20Gifts%20Approval%20Form.docx) form and submit it to the Property Manager to forward to the Associate Director of Finance and Administration and the Director for approval.

7.2 The Director will sign the Intended Gifts Approval form and forward it to the Property Manager. The Property Manager will assign a property tag and record the gift in FAMIS. The inventory tag will be sent to the receiving department to affix to the equipment. (See Section 14 – Tagging of Equipment.)

8. TRANSFER OF EQUIPMENT TO AGENCY

8.1 When equipment is transferred to the agency from another state agency, the APO or AAPO must sign the transferring agency’s [Property Transfer Record](http://tfsfinance.tamu.edu/modules/finance/admin/procedures/Property%20Transfer%20Record.docx) (PTR) to indicate equipment was received and send the form to the Property Manager.

8.2 The Property Manager will contact the transferring agency’s Property Manager to confirm that the PTR is completed. Once both Property Managers have approved the transfer form, the Property Manager will ensure that the appropriate entries are recorded in both SPA and FAMIS.

9. TRANSFER OF EQUIPMENT FROM AGENCY

9.1 When equipment is transferred from the agency to another state agency, a PTR must be completed. The form needs to be signed by the applicable APO or AAPO and submitted to the Property Manager for approval by the Director prior to transferring the equipment.

9.2 Upon approval by the Director, the Property Manager will forward the PTR to the receiving agency. Once both Property Managers have approved the transfer form, the Property Manager will ensure that the appropriate entries are recorded in FAMIS.

10. TRANSFER OF EQUIPMENT WITHIN AGENCY

10.1 When equipment is transferred between departments, the sending department’s APO or AAPO prepares a PTR and obtains the receiving department’s APO or AAPO signature. The receiving department’s APO or AAPO must complete the required fields section (assigned to, building number, room number and county code). The transferring department’s APO or AAPO should fax or scan a copy of the approved form to the Property Manager within five business days so that property records may be updated in a timely manner.

10.2 Upon verification that the form has been properly completed, the Property Manager approves the form and makes the necessary updates to the inventory records.

10.3 Special requirements apply to computer equipment. See Section 21 – Computers.

10.4 Special requirements apply to the exchange of vehicles located in surplus. See Section 8 in Administrative Procedure 30.11, Surplus Property.

11. DELETION OF SALVAGE EQUIPMENT

11.1 To delete salvage equipment from the inventory, the APO or AAPO completes a Property Deletion Request form, including the planned method of disposal. The completed form is submitted to the Property Manager for approval. **Note:** Both inventoried and non-inventoried salvage equipment items can be included on this form.

11.2 The Property Manager will review the request for compliance and obtain the Director’s approval. A copy of the approved request will be provided to the requesting unit with notification to proceed with disposal.

11.3 Upon receipt of the approved Property Deletion Request form from the Property Manager, the applicable APO or AAPO should dispose of property and complete the disposal certification section on the form. The completed form is returned to the Property Manager for updating of the inventory records.

12. DELETION OF SURPLUS EQUIPMENT

12.1 The sale of surplus property is handled in accordance with Administrative Procedure 30.11, Surplus Property.

12.2 The Property Manager records the items sold on the inventory records and provides an updated inventory list of surplus equipment to the Surplus Property Coordinator.

13. CANNIBALIZATION OF EQUIPMENT

13.1 If parts of worn-out or obsolete equipment are used to rebuild or repair a similar item rather than transfer the equipment to surplus, permission to cannibalize the equipment must be acquired in advance of the cannibalization.

13.2 The APO or AAPO must complete a Property Deletion Request form and submit it to the Property Manager for approval by the Director. The Information Resources Department Head must approve cannibalization of computers.

13.3 Upon receipt of the approved Property Deletion Request form from the Property Manager, the department may proceed with cannibalizing the equipment. The applicable APO or AAPO should remove any property tags and complete the disposal certification section on the bottom of the form. The completed form must be forward to the Property Manager for updating of the inventory records.

14. TAGGING OF EQUIPMENT

14.1 Equipment must be permanently marked as property of the State of Texas. Exceptions may be approved by the Property Manager for items that are too small or sensitive to be tagged.

14.2 Inventory tags should be placed in a highly visible position on the asset, where it is easily accessible during an inventory. The following locations should be used for consistency throughout the agency:

a. Vehicles – on the dash.

b. Computers – on front of the CPU.

c. Notebook computers – inside by the keyboard if possible; otherwise, on the bottom.

d. Printers – front.

e. Desks – inside knee-space.

f. Tables – front inside leg.

g. Training equipment – easily accessible place to be located fast. Also, consider marking the number on any cases, containers, etc.

14.3 The inventory number must be permanently affixed to an item promptly on receipt but not later than ten 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 has to be assembled, calibrated, or connected to a system before it can be inspected properly and placed in use. The tagging scheme is as follows:

a. Red Tags

Controlled and capitalized property shall be tagged with a Red property tag containing a property number. This equipment is listed on the inventory records.

b. Green Tags

Non-controlled and non-capitalized property should be tagged with a Green property tag that does not contain a property number. This equipment is not listed on the inventory records. Tagging non-inventory property helps the individual who performs the annual physical inventory to identify items that should not appear on the inventory listing, even though the items might appear likely to be inventory items. In cases where the department wishes to track non-inventory property, it may create its own tracking methods and place a number or code on the silver block located within the Green property tag.

15. CHANGES

15.1 The following changes to the inventory must be documented in writing:

a. location change (building number and room number and other location).

b. condition of asset.

c. serial number correction.

d. description change.

e. vehicle license plate number change.

15.2 The Property Manager can be notified by email, memo, or an Equipment Information Sheet. Changes to location and condition of asset may be made by an APO or AAPO with access to FAMIS screen 535.

15.3 Special requirements apply to computer equipment. See section 21 – Computers.

16. MISSING, STOLEN OR VANDALIZED EQUIPMENT

16.1 Upon identification of stolen or vandalized equipment, the APO or AAPO should notify the local law enforcement agency immediately.

16.2 Upon identification of missing, stolen or vandalized property, the APO or AAPO should notify the applicable associate director and the Property Manager within one business day, followed up in writing by completing a [Missing, Stolen or Vandalized Property](http://tfsfinance.tamu.edu/modules/finance/admin/procedures/Missing%20Stolen%20or%20Vandalized%20Property.docx) form. Additionally, the APO or AAPO should immediately circulate a notice through the agency, in case someone has information regarding the missing equipment. The associate director will make a determination of whether there was negligence by the person responsible for the property, document it on the Missing, Stolen, or Vandalized Property form, and submit the form to the Property Manager. In the case of stolen or vandalized property, a copy of the police report must be attached.

16.3 Missing property may be deleted from the inventory two years after it is reported. The Property Manager will record the deletions.

16.4 Stolen property will be deleted from the inventory by the Property Manager once all required paperwork has been received.

16.5 If the Missing, Stolen or Vandalized Property form indicates the property was stolen or vandalized, the Property Manager will submit a copy of the form to the agency Law Enforcement Department with a request to conduct an investigation. If the form indicates the property is missing, the APO/AAPO will complete the steps in the form to locate the property or prevent a repeat occurrence.

16.6 Based upon the results of the agency Law Enforcement Department investigation or APO/AAPOs efforts to locate the missing property, the applicable associate director, in consultation with the Associate Director for Finance and Administration and the HR Manager, will decide the appropriate course of action to take. Such action may include restitution for the loss or damaged item and/or disciplinary action, up to and including termination.

16.7 If restitution is required, the Property Manager will request for a bill to be issued by accounts receivable and the funds will be deposited into Acct #271000 as a reimbursement. The Associate Director for Finance and Administration will initiate a budget request to provide funding to the department to purchase replacement equipment.

17. EQUIPMENT CHECK-OUT PROCEDURES

The [Equipment Sign-Out Record](http://tfsfinance.tamu.edu/modules/finance/admin/procedures/Equipment%20Sign%20Out%20Record.docx) form should be used by a department or unit when they allow a piece of equipment to be used by another agency, department or unit on a temporary basis. The form is intended to document who signed it out, when they received it and when they returned it. This is a tool to help the responsible department to keep track of equipment.

18. SECURING OF ASSETS

Inventoried assets should be tracked and secured to prevent the theft, loss, damage or misuse of assets. It is each employee's responsibility to use state personal property only for state purposes and to exercise reasonable care for its safekeeping. Steps that should be taken to accomplish this include:

18.1 Use the Equipment Sign-Out Record and the Employee Record of Assigned Property to document location of assets temporarily moved from their primary location.

18.2 Ensure that buildings and rooms are properly secured daily. Address problems identified with the security of equipment or facilities immediately.

18.3 Take physical inventory, and update inventory listings, as necessary.

19. ANNUAL PHYSICAL INVENTORY

19.1 The agency must ensure that its property is still within its possession, be able to identify the property’s location, and identify the person responsible for the property. All capital assets and controlled assets must be entered into the official inventory record and inventoried annually. During the annual physical inventory, the following steps should be performed:

a. Verify that the equipment is properly tagged. (See Section 14 – Tagging of Equipment.) Problems with tagging should be corrected during the inventory process, if possible.

b. Verify that the serial number of each asset is correct. If an item does not have a serial number listed on the inventory record, inspect the item for the serial number and note it on the inventory listing. If there is not a serial number, indicate "none."

c. Verify the location (building number and room number) listed on the inventory record. Changes in location should be noted on the inventory listing.

d. Evaluate the condition of property using the following rating system.

01 New The condition can be considered as "new" or in excellent condition.

02 Good Adequate condition to be used for its intended purpose.

03 Fair Partly deteriorated or damaged to the extent that further repair or renovation is required or expected in the near future. Use is slightly impaired.

04 Poor Deteriorated or damaged so that its use is seriously impaired.

Changes in condition should be noted on the inventory listing.

19.2 Personal property transferred to another state agency must be reported in the physical inventory until the transfer transaction is recorded in FAMIS.

19.3 If equipment is identified as missing during the physical inventory, the APO or AAPO must include each missing item on the [Certification of Physical Inventory of Property](file:///Q%3A/procedures/Certification%20of%20Physical%20Inventory%20of%20Property.docx) form and complete a Missing or Stolen Property form and submit it to the Property Manager.

20. RANDOM INVENTORIES

 The Property Manager or designee will conduct random inventory checks on a test basis. The results of these inventories will be communicated to the applicable APO and AAPO.

1. COMPUTERS

21.1 Prior to transferring any computer between departments or reassigning any computer between employees, the APO or AAPO must contact the Information Resources Department. The APO or AAPO will work with the Information Resources Department to ensure that key issues are properly addressed;

a. software licenses,

b. removal of sensitive information,

c. other issues pertinent to the specific computer or work environment.

NOTE: This requirement applies to any information resource capable of storing data, including desktop computers, laptop computers, personal digital assistants, external hard drives, flash drives, etc. For non-inventory items, the employee to whom the information resource is assigned must contact the Information Resources Department.

21.2 All computer acquisitions are processed through the Information Resources Department.

21.3 To control the computer inventory, an old computer must be disposed of for each new computer purchased. Exceptions to this process must be approved in advance by the Associate Director for Finance and Administration. Each department head or APO may move computers between locations or employees within the department in order to optimize the computer equipment retained in the department and dispose of the least desirable computer. The APO or AAPO then must update the location of each moved computer.

21.4 Old computers to be disposed of are transferred to the FRP Radio Communications office in Hudson for disposal with the Texas Department of Criminal Justice (TDCJ). PTRs are completed to transfer the computer(s) from the respective department inventory to the inventory for TDCJ (FADM/TDCJ). (See section 22 below)

21.5 An old computer transferred to the inventory for TDCJ might be in better condition than a computer currently in service within a department. The computers may be exchanged (i.e., the old computer traded for the in-service computer) under the following conditions:

a. PTRs are completed and approved in advance of the exchange.

b. In addition to the normal approvals, the exchange is approved by the Associate Director for Finance and Administration.

1. DISPOSITION OF DATA PROCESSING EQUIPMENT

All surplus/salvage data processing equipment must be transferred to Texas Correctional Industries (TCI) *Texas Department of Criminal Justice* without reimbursement.

22.1 FRP Radio Communications personnel will have the hard disk drive removed and destroyed to ensure that software or other data is not inadvertently turned over to unauthorized persons when computers are transferred to an entity outside of the agency.

22.2 The [Software Removal Certificate](file:///Q%3A/procedures/Software%20Removal%20Certificate.docx) must be completed and signed and attached to the corresponding Texas Department of Criminal Justice Form.

CONTACT: Property Manager, (979) 458-6646