

Cal Poly Humboldt.

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PROCEDURES FOR THE SAFEGUARDING AND DISPOSAL OF STATE & AUXILIARY PROPERTY

ICSUAM Policy 3150.01 requires the University to create a policy appropriate to the University environment. This Procedure is intended to maintain uniform accountability of University property in accordance with [ICSUAM 01401](#), the [CSU Auxiliary Organizations Policy](#), and [Federal Uniform Guidance](#).

SECTION I – SAFEGUARDING STATE & AUXILIARY PROPERTY

Property valued with an acquisition cost of less than \$5,000, and included in the University Asset Management system will be tagged and consist of the following “sensitive” items:

- University Police Firearms
- All Vehicles
- All Federally Funded Equipment
- Sensitive Equipment

Property valued with an acquisition cost of \$5,000 or greater and a useful life of one year or greater shall be capitalized as well as tagged and recorded in the campus property inventory records and included in the campus financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP).

It is the responsibility of Department Chairs, Deans, Directors, and Program Administrators to control and safeguard all items of value in their charge. To that end, it is recommended that Department Chairs, Deans, Directors, and Program Administrators or their designees maintain some form of record for property in their charge having an acquisition cost of less than \$5,000.

Property valued under \$ 5,000 which is highly desirable or important to operations and does not fit the aforementioned criteria (e.g. microscopes, machining equipment, sorters, ice makers, musical instruments, athletic exercise/training equipment, etc.) should be considered theft/damage sensitive property items. It is highly recommended that departments with theft/damage sensitive property record the receipt of these items. Make, model, value, and serial numbers should be noted and recorded in departmental records. These items may be maintained in the asset management software.

A tag# is required to enter items into the asset management software, but the department is responsible for creating and maintaining those tags. The only restriction is that it CANNOT begin with “S”, “F”, “ITS” or “AC.” These assets will be assigned a Business Unit of “LOCAL” so that they do not get uploaded into PeopleSoft. The tags for the “LOCAL” assets should be unique to the department. For example: BIOXXXXX for the Biology Department.

The University will ensure compliance with CSU Auxiliary Organization audit, annual reporting, and review requirements for auxiliary property management activities. Property purchased with Federal contract/grant funds and owned by the funding agency shall be subject to the accountability requirements of the funding agency (regardless of dollar value).

Cal Poly Humboldt will provide insurance coverage for real property and equipment acquired or improved with Federal funds if required by the terms and conditions of the Federal award as detailed in

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Uniform Guidance (2 CFR § 200.310). The University in coordination with auxiliary organizations, will follow CSU Auxiliary Organization policy regarding sound business practices, fiduciary standards, conflict of interest, and required reporting.

Acceptable Use of Property

State property checked out by employees for use at home (or other off campus locations), regardless of value, shall be tracked and accounted for by the responsible department and an [Authorization for OffCampus Use of Equipment Form](#) must be completed and returned to Asset Management.

All state property checked out to an employee shall be returned to the University upon the employee's separation from the University.

Equipment use for personal projects or private events is PROHIBITED. Equipment will not be removed from campus except for official University-related projects, functions, department duties or class-related assignments. The person to whom the equipment is assigned must notify Asset Management when relocating equipment from one location to another. Authority must be granted in writing utilizing an Equipment or Material Check-Out form, and released by a duly authorized department representative, or University official having jurisdiction over equipment. Employees will be charged with any loss and damage to University property due to their negligence or unauthorized use.

Acceptable Use of Federally Acquired or Improved Equipment

Cal Poly Humboldt will use federally acquired or improved equipment for the project or program for which it was acquired and for as long as needed and will provide regular maintenance procedures to ensure the property is in proper working condition as detailed in Uniform Guidance (2 CFR § 200.313).

As described in Uniform Guidance (2 CFR § 200.314), the University will not use the equipment, unless expressly authorized by Federal statute, to provide services for a fee that is less than a private company would charge for similar services.

Real property, equipment, and intangible property acquired or improved with the Federal award will be held in trust by Cal Poly Humboldt for the beneficiaries of the project or program under which the property was acquired or improved (Uniform Guidance 2 CFR § 200.316).

In instances with intangible property acquired under a Federal award as detailed in Uniform Guidance (2 CFR § 200.315):

- The University will use that intangible property for the originally authorized purpose and will not encumber the property without the approval of the Federal agency or pass-through.
- Cal Poly Humboldt will provide research data relating to the published research findings produced under the Federal award.

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Campus Inventories and their Frequency

The University will conduct a physical inventory of all property not less than every three years. For federally acquired or improved equipment, the University will conduct a physical inventory of the property every two years (Uniform Guidance - 2 CFR § 200.313) or sooner if required. Results for these inventories will be reconciled with equipment records, and any differences shall be investigated to determine the cause or causes of the discrepancy.

A representative from Asset Management will coordinate the effort (with the building coordinator if necessary), by having the asset manager and/or one or more student assistants go out with a handheld scanner and scan all items with an "S" or "F" barcode tag a building at a time. Asset Management will also be responsible for uploading the results of the inventory into PeopleSoft and generating reports with the results of the inventory.

The inventory process will include a physical count of all property, the condition of the property and reconciliation of the count with the AMS records not less than every three years. Department Inventory Coordinators may be designated by the Department Chairs, Deans, Directors, and Program Administrators of their department to work with Asset Management and if 5% or more of the data reveals discrepancies, Asset Management should work with the department to ensure assets are accounted for and in the appropriate locations.

In addition to the full inventory performed every three years, and every two years for federally acquired or improved equipment, Asset Management should coordinate informal, department-level inventories when circumstances indicate that it may be warranted (e.g. when a department moves locations or when several items have been reported missing, etc.)

Results of Inventories

Asset Management will identify all discrepancies disclosed by physical inventory. The listing shall include a signed statement, by the department head or designated assignee, that physical inventory of all or certain classes of property was completed on a given date and that the official property records were found to be in agreement with the physical inventory, except for discrepancies reported. Electronic physical inventory reports will be generated and saved for audit purposes.

All auxiliary organization property and equipment records will be available for inspection by the University, the CSU Chancellor's Office, or state auditors as required under CSU Auxiliary Organization policy.

SECTION II – INTERNAL TRANSFER, RELOCATION AND LOAN OF EQUIPMENT

It is the responsibility of the department to notify Asset Management of all relocations of equipment items as follows: See the [asset management website](#) for the appropriate forms.

Certain asset types are managed by Information Technology Services (ITS) and follow a separate process. This is limited to computers (desktops and laptops), tablets, copiers and plotters. Requests for these assets (including moves, transfers, or disposals) should be submitted directly to ITS via a help desk ticket.

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Relocation within a Department (Intra-Department Moves)

When the only change is the physical location of equipment within the SAME department, it will require use of the [Move / Location Update Form](#).

No approval is required for this action.

Relocation of Entire Department

After a department relocates, the department should conduct a complete physical inventory of equipment and report it to Asset Management.

Inter-Departmental Transfers

When equipment is transferred between departments, it will require use of the [Transfer Form](#).

Asset Management will route the request for approval to the appropriate Delegation of Authority (DOA) on behalf of the requester.

Upon dissolution of an auxiliary organization, ownership of property and equipment acquired or managed by that auxiliary shall revert to the University or another auxiliary organization approved by the CSU Chancellor's Office, consistent with the CSU Auxiliary Organizations policy.

Loans of University Equipment to External Organizations, Employees, or Other Individuals

Any loan of University equipment to an external organization or to an individual is prohibited under any circumstances unless it is for University business and approved by the Vice President of Administration and Finance.

Inter-Campus Loans of Equipment

Inter-campus loans of equipment (between other California State University Campuses) require prior approval of the appropriate department Chair or Director and Asset Management will be notified. Loans of one year or more are recorded in inventory records; inter-campus loans should be documented on an Off Campus Use of Equipment Agreement. Other schools outside of the CSU system are considered external organizations and any equipment loan proposals should be reviewed and approved by the appropriate department Chair or Director and Asset Management will be notified.

SECTION III – DISPOSAL OF STATE PROPERTY

ICSUAM Policy 3150.01 delegates authority to the President to sell or exchange any University state property. The President has delegated the University's Vice President of Administrative Affairs / Chief Financial Officer and her/his designees, the authorization to sell or exchange any University state property.

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Adherence to the following procedures will facilitate accurate recordkeeping related to the disposition of state property. The combination of accurate accounting records and strong internal controls shall be in place to protect against and detect the unauthorized use of University property.

If a department has property that is not being utilized, it will require use of the [Disposal Form](#).

Asset Management will route the request for approval from at least 3 Property Survey Committee (PSC) members and will arrange for proper re-use or disposal.

Campus departments should never trade, cannibalize, or dispose of University or auxiliary organization property without approval from the Property Survey Committee.

Certain asset types are managed by Information Technology Services (ITS) and follow a separate process. This is limited to computers (desktops and laptops), tablets, copiers and plotters. Requests for these assets (including moves, transfers, or disposals) should be submitted directly to ITS via a help desk ticket.

Surveyed property, not federally acquired or improved

Property that was not federally acquired or improved may be re-used or disposed of in the following ways:

Equipment in working order:

- At the discretion of the PSC, offered internally first via campus auction. The recipient department will be charged any moving or storage expense. (Moving expense is charged only if it is associated with a project (such as the SBS move). Storage fees are under lease agreements, e.g. for the east wing of the annex for example.
- Offered on the [Public Surplus](#) website to other departments (for CSU business use) on campus.
- Offered on the [Public Surplus](#) website to schools and other public and state agencies.
- Offered on the [Public Surplus](#) website to nonprofits.
- Offered for public sale on the [Public Surplus](#) website.

Equipment not in working order and only after following the asset disposal process:

- If possible, cannibalized for parts.
- Disposal to a certified, off-campus recycler by the Sustainability & Waste Coordinator.
- Disposal to a refuse disposal company by the Sustainability & Waste Coordinator.

Prior to removal off-campus, all equipment must have the property tags removed or obliterated.

Proceeds from any sales will be distributed as follows:

- If a department sells a capitalized asset (value of \$5,000 or greater), the proceeds of the sold asset will return to that department ONLY IF the sold asset is replaced with a new asset that serves a similar function.

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- If the above criteria are not met, the proceeds of the sale will revert back to the University, with no exceptions.

Cannibalization of Property

- If obsolete or broken equipment is cannibalized, the department is to complete the [Disposal Form](#) and follow the process outlined in the beginning of Section III of this document. Failure to do so will result in the property not being found during the next physical inventory reported to UPD as lost or stolen.

Tree Disposal

If any campus trees have either fallen through natural causes or need to be cut down for any reason, The University's Vice President has authorized the Sustainability Director to contact the following:

- Local Native American tribes.
- Any other organization that can use the wood for firewood, etc.

Federally Acquired or Improved Property

Uniform Guidance (2 CFR § 200.312) states titles to Federally owned property remain vested in the Federal Government. When federally acquired or improved real property is no longer needed for the originally authorized purpose, the appropriate department will declare the property as excess and obtain disposition instructions from the Federal agency or passthrough entity.

If an appraisal of real property is required, it will be conducted by an independent appraiser or General Services Administration representative and certified by a responsible official of the recipient or subrecipient.

Cal Poly Humboldt will follow one of the following disposition methods as described in Uniform Guidance (2 CFR § 200.311) that has been provided from the Federal agency or passthrough entity:

- Retain title after compensating the Federal agency
- Sell the property and compensate the Federal agency
- Transfer title to the Federal agency or a third party designated/approved by the Federal agency

When there is a residual inventory of unused supplies exceeding \$10,000 in aggregate value at the end of the period of performance, and the supplies are not needed for any other Federal award, the University may retain or sell the unused supplies. The Federal agency or pass-through entity will be compensated by the University in an amount calculated by multiplying the percentage of the Federal agency's or pass-through entity's contribution towards the cost of the original purchase(s) by the current market value or proceeds from the sale (Uniform Guidance (2 CFR § 200.314)).

PROCEDURES FOR THE SAFEGUARDING AND DISPOSAL OF STATE & AUXILIARY PROPERTY

Lost, Missing, Stolen or Destroyed Property and Equipment

- When a person discovers that University property or equipment has been lost or stolen, UPD and Asset Management are to be notified immediately. A [Property Loss Form](#) is to be completed and sent to Asset Management.
- Any loss, damage, or theft of federally acquired or improved equipment will be investigated. Cal Poly Humboldt will notify the Federal agency or pass-through entity of any loss, damage, or theft that will have an impact on the program (Uniform Guidance - 2 CFR § 200.313).

Employees may be charged for any loss or damage to University property that is attributable to negligence or unauthorized use. The charges will be determined by the Department.

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DEFINITIONS

Salvaged/Cannibalized: To disassemble or dismantle property to obtain useful parts for use on other property, thereby rendering the original property useless.

Capitalized Equipment: Tangible, non-consumable property meeting and includes all of the following criteria:

- A unit acquisition cost of \$5,000 or greater (including all costs incurred to acquire and to ready the asset for its intended use such as purchase price, applicable tax, freight, etc.),
- An estimated life of greater than 1 year, Is not permanently attached to or incorporated in the CSU buildings and grounds, and
- Is used to conduct CSU business.

Capitalized equipment must be **tagged and inventoried** by the Asset Management Office. Detailed guidelines on capitalization of assets are located in the CSU GAAP Reporting Manual Capital Asset Guide (DOC) and are generally administered by Asset Management.

The exception to the capitalized equipment tag and inventory requirement is modular furniture which can be assembled and re-assembled in various configurations. The Asset Management Office will tag and inventory when the following criteria are met:

- Comprised of components integrated to create work station(s)
- Average cost of workstation is \$5,000 or greater
- Must be acquired using account 619001

The Asset Management Office will document the physical location where workstations are configured. Workstations may be accounted for individually or as a cluster. Modular furniture will be retired from the asset management records when deconstruction of workstations(s) occurs.

Non-Capitalized Equipment:

- Non-Capitalized equipment is equipment that does not meet the capitalization requirement.
- Generally, the “sensitive equipment” will be categorized as Non-capitalized equipment. See below.

Sensitive Equipment: Equipment purchased with University funds, regardless of cost and includes the following:

- University police firearms
- All vehicles – includes equipment that is self-propelled, whether or not registered by the DMV for street use. For details see General use mobile equipment per ICSUAM 5303-00 Commodities with Special Purchasing Requirements.

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- Any device with memory or the capacity to store Level I or Level II data as defined by CSU Information Security Data Policy- 8065 including but not limited to computers, laptops, tablets, iPads, networked printers and copiers.
- For the purpose of these procedures, flash drives are considered office supplies.

Sensitive equipment must be **tagged and inventoried** by the Asset Management Office, however, Information Technology Services (ITS) may be issued tags to place on computing equipment as part of their process.

Property Survey Committee: (PSC) a group designated by the Vice President of Administration and Finance to review and approve the disposition of state property.

Other University Property: Desks, bookshelves, chairs, file cabinets, and other miscellaneous equipment and furniture that are not capitalized or entered into the Asset Management property recording system. Please note that all surplus property and equipment must be disposed of through the PSC, regardless if the property or equipment is maintained on the University's database.

AMS: Asset management system in PeopleSoft.

Asset Management Software: Third party software, Wasp, used to track asset disposals, moves and transfers.

Unused Supplies: supplies that are in new condition, not having been used or opened before.

Research Data: The recorded factual material commonly accepted in the scientific community as necessary to validate research findings. Research data does not include any of the following:

- Preliminary analyses, drafts of scientific papers, plans for future research, peer reviews, or communications with colleagues. This “recorded” material excludes physical objects (for example, laboratory samples).
- Trade secrets, commercial information, materials necessary to be held confidential by a researcher until they are published, or similar information which is protected under law; and
- Personnel, medical, and other personally identifiable information that, if disclosed, would constitute an invasion of personal privacy. Information that could identify a particular person in a research study is not considered research data.

Facilities Management Definition of Equipment:

Group I and Group II definitions

Group I Equipment: Group I equipment is defined as built-in equipment installed with “Significant Utility Connections”. Significant utility connections are defined as: a utility connection that is required to have a qualified trade person (electrician, plumber, etc.) perform installation and/or maintenance. Any purchase of Group I equipment must be approved by Facilities Management. Equipment may fit the definition as Group I but may be exempt based on the equipment’s specific programmatic use and/or by agreement that specific equipment will not be maintained by Facilities Management.

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Examples of Group I: science laboratory benches, fume hoods, wind tunnels, theater rigging, growth chambers, sinks, reverse osmosis and distilled water systems, vacuum systems, built in freezers and refrigerators with remote condensing units, built in washer and dryers, baseboard heaters, exhaust fans and air handlers, boilers, chillers, other HVAC systems, and permanently installed generators

Group II Equipment: Group II equipment is generally movable, self-contained and does not require significant utility connections. Group II items are not required to be approved by Facilities Management but equipment that may change building or utility condition or requires anchoring to structure (impact to utility load, increased heat, space requirements, conditioned or dedicated power) will require Facilities Management consultation.

Examples of Group II: tables, chairs, microscopes, hand-held electric tools, personal computers and printers, cameras, etc.

Group II Requiring Facilities Management Consultation Examples: Laminar flow hood, computer servers, multiple computers for a single location, sterilizers, refrigerators, freezers, ovens, kilns, equipment with anchoring requirements, DNA sequencers, electron microscopes, multi-function network printers/copiers, washer and dryers.