

# University of Houston-Clear Lake Asset Management

Annual Training for Departmental Property Custodians  
Presented by Business Operations  
Reviewed 02/25/2022

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The choice  
is clear.

# Asset Management

Asset Management is a unit of the General Accounting and Financial Reporting Department within the Business Operations Division.

## **Mission Statement**

The Asset Management team is committed to supporting the educational mission of the university through proper accounting and financial reporting for the acquisition, inventory, surplus, and disposition of the university's fixed assets in compliance with UHCL, UH System, state, and federal policies and guidelines.

We are committed to providing superior customer service to our customers within and outside of the university, as we ensure the prudent fiscal stewardship of the university's assets.

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It always begins with a **TEAM!**



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# Objectives

- Policies and Procedures
- Why is Asset Management Important?
- Definitions of asset (property) types. – Capital vs. Controlled Assets
- Roles and Responsibilities of Agency Head, University Asset Management Coordinator, and Departmental Property Custodian
- Identification and Tagging of assets
- Dispositions of assets – Donations, transfers, trade-in, obsolete, returns, surplus, lost, missing and stolen
- Various Asset Management Forms
- Annual Physical Inventory Verification - Key Elements
- PeopleSoft Asset Management System (PSAM) – How to use as a resource
- Federally Titled Property
- Course Enrollment and Contact Information

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# Policies and Procedures

- **SAM 03.E.02, Property Management**

[http://www.uhsystem.edu/compliance-ethics/\\_docs/sam/03/3e2.pdf](http://www.uhsystem.edu/compliance-ethics/_docs/sam/03/3e2.pdf)

- **UHCL Accounting Handbook**

<https://www.uhcl.edu/about/administrative-offices/business-operations/handbooks/>

- **Forms Hyperlink**

<https://www.uhcl.edu/about/administrative-offices/business-operations/forms>

- **FMC Work Order Request**

[www.uhcl.edu/fmc](http://www.uhcl.edu/fmc)

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- **Why is Asset Management Important?**
  - **State funded Institution assets accounted for and properly maintained**
  - **Be in compliance with Federal, and State Guidelines**
  - **Accurate and timely records gives good audit results**
  - **No reduction in appropriations**
  - **Maximizes use of Resources**
  - **Provides accurate insurable values**
  - **Identify saleable/surplus assets**
  - **Provide lowest inventory investment**
  - **Proper stewardship of assets and supplies**
  - **Accurate and timely reconciliation and reporting**

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# Definitions

- *Capital Asset* – Real or Personal Property that has an estimated life of greater than one year with a value equal to or greater than capital threshold established for the asset type.
  - *Real Property* - Land, Building, Infrastructure, Construction in Progress.
  - *Personal Property* - Furniture & Equipment, Vehicles, Boats, Aircraft, Library Books & Materials, Works of Art, Computer Software, intangible assets...etc.

<i>Capital Asset Class</i>	<i>Threshold</i>
Land/Land Improvements	Capitalize All
Building/Building Improvements	\$100,000
Facilities and Other Improvements	\$100,000
Infrastructure	\$500,000
Personal Property	\$5,000
Library Books/Materials (Collections)	Capitalize All
Works of Art/Historical Treasures	Capitalize All
Purchased Software	\$100,000
Leasehold	\$100,000

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# Definitions continued

- *State Controlled Asset* – Personal Property due to its high risk nature, and with a value, less than capital threshold has to be reported to State Comptroller’s Office.

<i>State Controlled Asset Class</i>	<i>Threshold</i>
Hand Guns, Rifles, Shotguns	\$0
Sound Systems, Portable Cameras, Television, Video Players, Recorders, Desktop Computers, Laptop Computers, Smartphones, Tablets, Data Projectors	\$500 to \$4,999.99

- *Cannibalization* – the authorized removal of components from one item of property for installation on another item of property to meet a specific requirement and/or to return an item to service.
- *Fabrication* – Using component parts to build a piece of equipment, where in the value of the equipment built meets or exceeds the capitalization threshold of \$5,000

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# Definitions continued

- *Federal Property* – Items that are furnished to the University by the Federal Government or are acquired through a Federal contract or grant. Title to this property remains with the Federal Government unless it is expressly vested with the University or until the University fulfills contractual terms which permit title transfer.
- *Surplus/Salvage Property* – Property which through use, time, or accident becomes depleted, worn out, damaged or obsolete and can no longer serve the purpose for which it was initially intended. Surplus property may be cannibalized with appropriate documentation.

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# Roles and Responsibilities

- *Institution/Agency Head*
  - The agency head should ensure that the agency maintains adequate internal control procedures.
  - Each agency head must designate a property manager.
  - Complete the **Notice of Agency Head and Designation of Property Manager**. form (73-286) to inform the Comptroller's office of the designee.

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# Roles and Responsibilities continued

- *Property Manager/Asset Management Coordinator*
  - The custodian of all property in the possession of the institution/agency.
  - Responsible for maintaining the required records of physical inventory.
  - Property managers have update capabilities for all assets in PSAM system.
  - Must maintain copies of the rules, procedures and other appropriate documentation for managing the institution's/agency's property as formulated by the Comptroller's office.
  - Ensure that the procedures for accountability and safeguarding of the agency's property comply with Comptroller's office rules and requirements.

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# Roles and Responsibilities continued

- *Departmental Property Custodian*

- Designated department is in compliance with the inventory control procedures as shown in Accounting Handbook > Asset Management

<https://www.uhcl.edu/about/administrative-offices/business-operations/handbooks/documents/asset-management.pdf>

- Capital and controlled assets received (by means other than purchase) are reported to Asset Management in a timely manner via “Asset Update Form”
- Property is not loaned, traded, discarded, moved or cannibalized without prior approval of Asset Management.
- Property is not defaced or damaged in any way. If so, it is reported to Asset Management in a timely manner via “Asset Update Form”

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# Roles and Responsibilities continued

- *Departmental Property Custodian continued*
  - Property is not returned to a vendor as a trade-in without approval of Asset Management. In the case of computers/printers, obtain prior approval the Office of Information Technology (OIT – formerly UCT, University Computing and Telecommunications).
  - Appropriate documentation on obsolete and excess property (capital and/or controlled only) is submitted to Asset Management for approval prior to disposal.
  - Equipment is used for its intended purpose by properly trained personnel
  - Ensure property within the Department meeting threshold is tagged and listed in the Departmental Inventory of Physical Property.
  - All items located off-campus are documented in the “Off-campus Authorization Form”

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# Identifications and Tagging

- Assets may be identified/received by the Receiving Department; OIT; End User; Requesting Department; and/or Asset Management.
- Asset Tagging
  - Why – Ownership identification
  - What – Capital and Controlled assets
  - How – Barcode tags only
  - Who – OIT and/or General Accounting-Asset Management Only
  - Where – Visible to all
  - Key Elements – Asset Assigned department; Physical Location (Obtained from Requisition/Purchase order or from OIT Work Order or via Asset Update Form)
- Federal Property requires a separate barcode tag that begins with “G”.



- Donations Inbound - Must be approved in advance by University Advancement Office, AVP for Business Operations, and Asset Management. Forms available through University Advancement Office or Asset Management Office.

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# Dispositions of Assets

- Most commonly used disposition methods at UHCL are:
  - *Trade-in* - one asset is acquired by the exchange of another asset. A state agency may offer surplus or salvage property as a trade-in on new property of the same general type if the exchange is in the best interest of the state.
  - *Obsolete* - Property which through use, time or accident becomes depleted, worn out, damaged and can no longer serve the purpose for which it was originally intended.
  - *Surplus* – Surplus Property may be disposed of
    - Through OIT for all data processing equipment
    - Through Facilities, Management and Construction (FMC) (for all non-data processing equipment), by submitting a work order for pickup and completing an Asset Update Form
    - Tag remains intact with the items. Removal of tag is not allowed

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# Dispositions of Assets continued

- *Donations Outbound* - Only to Independent School Districts or other State Institutions. Must coordinate through Asset Management. Receiving agency must request (on letterhead) the specific property in advance of the donation. Departmental approvals are required.
- *Return* – Property returned to vendor for vendor credits
- *Transfers* between Texas Agencies:
  - Agreement and approval obtained from Agency/Department Heads.
  - Send documentation to UHCL Asset Management to facilitate the bookkeeping and tag assignment.
- *Lost/Missing* – Property lost, missing, or stolen must be reported to Asset Management immediately with appropriate documentation. Failure to properly track and report missing property would represent negligence or fraud. Every effort must be made by department to locate missing assets.

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# Dispositions of Assets continued

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# Dispositions of Assets continued

## ○ *Stolen Property*

- User: Contact the local police department and/or contact UHCL Police
- User: Report all relevant facts to Police.
- User: Obtain a copy of the police report.
- Prop. Custodian: Complete an Asset Update Form and submit to Asset Management. Check the box for Lost/Stolen. Attach a copy of the Police Report.

Note 1- If a mobile COMPUTER device is lost or stolen, User also follows the OIT-issued guidelines that end-users receive from OIT, in addition to the above.

Note 2- All of the dispositions require an “Asset Update Form” except computer replacements. Any DPU (computer, laptop, tablets, etc.) dispositions must go through OIT. Asset Management will update PSAM based on the information received from OIT. Individual department/s have the responsibility to review their Property Management reports on a monthly basis and communicate any discrepancies via “Asset Update Form”.

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# Various Asset Management Forms

<https://www.uhcl.edu/about/administrative-offices/business-operations/forms>

- *During the Year:*
  - Asset Update Form
  - Asset - Property Donation Form
  - Off-Campus Assets Authorization (Initial; Returned property)
  - Change of Department Property Custodian
- *Annually (Beginning of Fiscal Year)*
  - Designation of Department Property Custodian
  - Certification of Departmental Annual Physical Inventory
  - Authorization for Off-Campus Assets (Initial; Renewal)
- Note: Additional information/documents may be requested on “Stolen/Lost” ; Cannibalized; Donated Property.

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# Annual Physical Inventory Verification – Key Elements

<https://www.uhcl.edu/about/administrative-offices/business-operations/documents/physical-inventory-training.pdf>

- UHCL Tag number
- Serial Number
- Location: Building; Floor; Room; Suite
- Off-Campus – Physically verify that the employee has possession of the asset
- Condition of the Asset – New, Good, Fair, Poor
- Note: “Class Indicator” on the Property Management Report
- TDCJ - Asset is pending to be transferred to TDCJ. No physical verification is required by the Property Custodian for these assets.

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# Annual Physical Inventory Verification – Key Elements continued

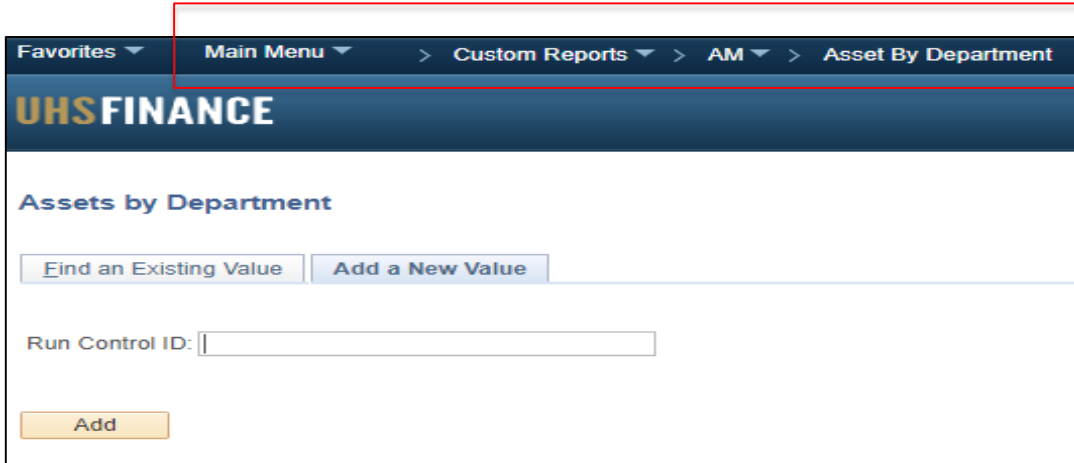
- **TSPM** – Asset is temporarily stored by Property Management in the basement pending surplus/auction due to space availability or pending instruction from FMC. No physical verification is required by the Property Custodian for these assets.
- **PP** – Asset is a personal property and is in-service. Physical verification of the asset is required.
- **AT** – Asset has an assigned tag. Physical tag not on the asset due to the nature of the asset. Physical verification of the asset is required.
- **Off Campus** – Asset is off-campus. Physical verification of the asset is required.

<https://www.uhcl.edu/about/administrative-offices/business-operations/documents/physical-inventory-training.pdf>

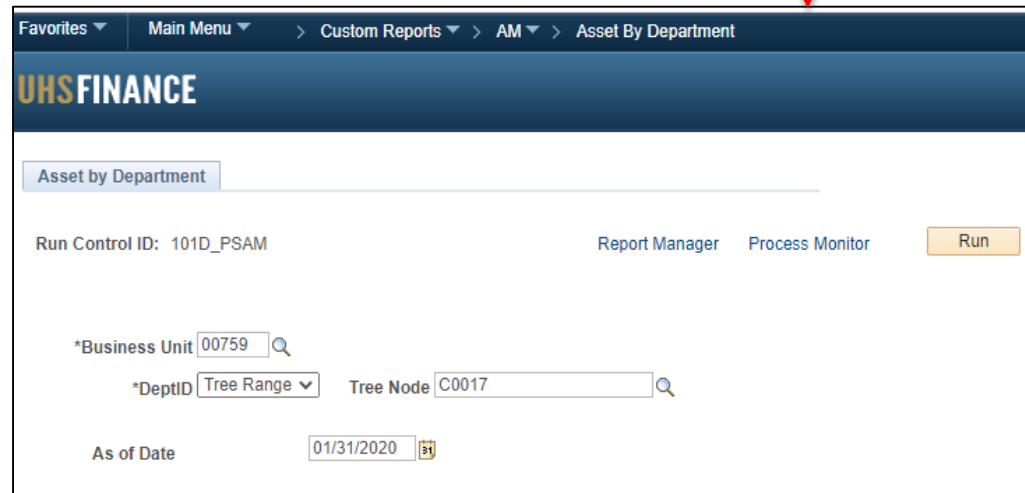
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# PeopleSoft Asset Management System (PSAM) – How to use as a resource



This screenshot shows the navigation path: Favorites > Main Menu > Custom Reports > AM > Asset By Department. Below the navigation is the UHS FINANCE logo and the title "Assets by Department". There are two buttons: "Find an Existing Value" and "Add a New Value". A "Run Control ID:" field is present, and an "Add" button is at the bottom.



This screenshot shows the report execution screen. The navigation path is the same as the previous screenshot. The title is "Asset by Department". The "Run Control ID:" is set to "101D\_PSAM". There are links for "Report Manager" and "Process Monitor", and a "Run" button. The form includes fields for "\*Business Unit" (00759), "\*DeptID" (Tree Range), "Tree Node" (C0017), and "As of Date" (01/31/2020).

\* You can RUN as PDF and/or CSV (Excel) files

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# Federally Titled Property



- If property is funded by a Federal Grant, or furnished to the University by the Federal Government, the property tag number will begin with a “G”. Specific information about these assets are maintained in the Asset Management inventory record.
- The capital threshold for federally titled assets are \$5,000.
- Departments with such property are required to:
  - Comply with all Asset Management guidelines, policies, and procedures.
  - Inventory the property annually.
  - Notify Asset Management of impaired assets that require a change in condition from “good” to “fair” or “poor”.
  - Ensure that equipment is properly maintained and used for award purposes until the funding ends or the equipment is not needed.
  - Obtain Office of Sponsored Program (OSP) and Asset Management’s approval for all assets transferred or disposed. The Grant may stipulate unique disposal actions.
  - This rule is effective for Grants Awarded after 12/26/2014 – no retroactive tagging.

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# Contact Information

- **Property Custodian Training Sign Up Instruction**

<http://www.uh.edu/adminservices/PASS/trainingenrollment.htm> ← Click here

- **UHCL General Accounting - Asset Management**

North Office Annex (NOA) II - Mail Code 104 - Phone (281) 283-2050

[GeneralAcctg@uhcl.edu](mailto:GeneralAcctg@uhcl.edu)



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**JOB WELL DONE**



**Congratulations!**

**Please proceed to complete and pass the course quiz to receive credit for the Property Custodian training course.**

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