

University Equipment

The University is responsible for safeguarding all of its equipment. Custody and proper use of equipment is the responsibility of the various colleges and departments where the property is assigned. University employees have stewardship responsibilities for University property assigned to the employee. Employees are required to use good judgment in the use of all university equipment.

For the purpose of this policy, equipment is defined as all capital equipment (cost equal to or greater than \$2,500.00 and useful life equal to or greater than two (2) years) and non-capital equipment, furniture, library holdings, livestock, inventory for resale and any item that may be used or sold.

University equipment may only be used in the conduct of official University business. University equipment may not be rented or loaned to any person, group or organization for personal use.

University equipment and other resources may not be used for any purpose that is illegal, unethical, dishonest, damaging to the reputation of the University or likely to subject the University to liability.

Employees observing or otherwise aware of the abuse, misuse, misappropriation, illegal use, unethical use, dishonest use, or use of University equipment that is damaging to the reputation of the University, should report such incidents to the custodial Dean, Director or Associate Vice Chancellor Office and to Financial and Management Analysis.

The University owns and controls all equipment purchased with University funds, unless stipulated otherwise by the funding source. The University owns all equipment purchased with University funds and all equipment received as gifts, regardless of which University unit ordered the item, the source of funds or the particular budget expensed. The University owns and controls all equipment that is donated, contributed or gifted, whether solicited or not. All property received in this manner must be reported to the appropriate Development Officer in each college, school or unit ([Development Staff](#)). Equipment having a useful life of at least two years and an initial value of at least \$2,500 should also be reported to Property Accounting Office in Financial Affairs.

Although title to equipment purchased with grant or contract funds may not be legally vested with the University, the University shall exercise the responsibilities of ownership for such equipment.

Any University equipment lost, destroyed, damaged, or the subject of possible theft must be reported to the department head of the custodial department and the University Police Department as soon as possible, but no later than three calendar days after the discovery.

The University Police Department will report all incidents to the Property Accounting Office who will determine patterns of inadequate control of equipment. The Property Accounting Office will report patterns of inadequate control of equipment to the department head of the custodial department, along with Vice Chancellors, until procedures to mitigate inadequate control are developed and implemented.

Departments shall develop clear, consistent policies and procedures for management and control of all equipment. Department heads may appoint subordinates to be responsible for equipment; however, the department head is primarily responsible for all equipment assigned to the department.

Departments will keep current records of all property located off-campus using forms available on the Property Accounting website <http://avcf.uark.edu/htmlforms/offcampusform.htm>.

Employees may be accountable to both civil and criminal authorities and to the University for acts which constitute violations of federal, state or municipal law, and the written University rules, regulations and policies. The University may proceed with disciplinary action whether or not civil or criminal proceedings have been instituted against the employee. The University disciplinary proceedings may not be abated or subject to challenge solely on the grounds that the civil or criminal charges have been dismissed or reduced.

Restitution will be required for theft or damage done to University property or for the improper disposal of University equipment.

Capital Equipment Inventory

To ensure adequate control of capital equipment is maintained, annual inventories are required. To facilitate annual inventory the following procedures are used.

The Property Accounting Office, a division of Financial Affairs, is responsible for maintaining accurate inventories of equipment and property. Legislative Audit tests the process the University of Arkansas has in place to fulfill this responsibility and reports to the General Assembly the degree to which we accomplish this responsibility. The University of Arkansas expects each department to actively participate and complete their inventory process in a manner that demonstrates accountability for University property. The following procedures address typical problems encountered during the annual departmental physical inventory. The University of Arkansas has established this policy to ensure that the inventory of equipment does not result in exceptions to an unqualified audit.

Scheduling Inventory

By mid-May, the inventory scanning schedule is posted to the Property Accounting web page. The department will need to confirm the scan dates with Property Accounting by mid-June. If the proposed scan date is unacceptable, the department will need to indicate alternative dates for consideration.

If the department becomes aware of a schedule conflict after the confirmation form is returned, the Property Accounting Office must be notified to reschedule at the time the conflict arises.

Once the schedule is confirmed, any change made by the department without prior notice will result in a rescheduling fee of \$50.

Monthly, beginning in August, reminders are e-mailed to departments that are scheduled for inventory during that month.

Scanning Inventory

A Property Accounting Office representative distributes scanners on Monday mornings with instructions to return the scanner by Thursday afternoon. The Property Accounting Office is available to answer any questions.

NOTE: Off campus units, outside the Fayetteville area, are generally allowed three (3) weeks to complete the scanning process; this time frame allows for mailing the scanners to and from the location.

If the scanner is not returned by the due date, a reminder call is made on Friday morning to return the scanner by that afternoon.

If the scanner is not returned by Friday afternoon, a Property Accounting representative will be sent to the department to retrieve the scanner. The department will be charged for one (1) hour of salary and fringe benefits of the Property Accounting representative.

Rescheduling Inventory

When circumstances arise that make it unfeasible for a department to perform its inventory at the scheduled time, the department should contact the Property Accounting Office to reschedule as soon as possible.

If the inventory scan is not completed by the rescheduled date, a Property Accounting Office representative will be sent to the department to scan the inventory. The department will be charged based on the hourly pay rate (of the Property Accounting Office representative) plus fringe benefits multiplied by the number of hours spent scanning the inventory.

If a department has not attempted to reschedule and/or has not completed the inventory scan by the due date, they will be given one (1) opportunity to reschedule. If the inventory is not scanned by the rescheduled due date, then a Property Accounting Office representative will be sent to the department to perform the inventory scan. The department will be charged based on the hourly pay rate (of the Property Accounting Office representative) plus fringe benefits multiplied by the number of hours spent scanning the inventory.

Non-Scanned Equipment

The department will receive the *Non-Scanned Equipment List* no later than the Friday following the inventory scan and return of the scanner. The department then has two (2) weeks to research and justify the items on the list.

When property on record cannot be located, the department chair, or designated employee should investigate the case and present the facts to Property Accounting. In accordance with the Arkansas Financial Management Guide, Title 19 – *Public Finance Chapter 4 – State Accounting and Budgetary Procedures Subchapter 15*, the appointed individual should proceed in the following manner:

1. Obtain the full identification of the missing property and last recorded location from Property Accounting, (which is provided on the Non-Scanned Equipment List).
2. Check the last recorded location and adjacent areas. An interview should be conducted with all individuals assigned to the area where the missing property was last located according to the property records.
3. Conduct a search of property disposal and transfer documents to see if the property could have been turned in to the Surplus Warehouse, Marketing and Redistribution or transferred to another agency.
4. Establish whether the property involved may have been temporarily loaned to other activities. If so, the activities identified should be searched in an attempt to locate the missing property.
5. If the above actions fail to locate the missing property, all areas occupied by the agency should be searched beginning with the activities most likely to have a use for the property.
6. If at any time during the investigation it is suspected that a theft has occurred, the matter should immediately be brought to the attention of the department head. If after notification the department head also suspects theft, the appropriate law enforcement official(s) should be contacted for investigation and further action as warranted. (See the section below captioned “Stolen Equipment”)
7. If at any time during the investigation process the missing property is located, the proper location shall be recorded on the Non-scanned equipment list.
8. At the conclusion of the investigation the appointed investigator shall submit the Non-scanned equipment list with all corrections and notifications to Property Accounting.
9. After Property Accounting makes all updates necessary from the Not-Scanned Equipment List, a final memorandum will be sent back to the department to be signed by the Department Head. By signing the memorandum, the Department Head is certifying that all the above steps of investigation has been done, and there are no other steps to be taken to find the equipment remaining in the Non-Scanned Equipment status.

If the Vice Chancellor for Finance and Administration is satisfied that the remaining missing property cannot be located after the investigation report, a “Credit for State Property” Form ([P3-19-4-1503](#)) along with copies of the investigation report and the police report in the case of stolen property shall be prepared and submitted to the Department of Finance and Administration-Office of Accounting, Administrator as the DFA Director’s designee for

approval. Upon receipt of an approved “Credit for State Property” Form, [P3-19-4-1503](#), the agency may remove the missing property from the capital asset records. This approval becomes part of the documentation to be used on the audit of the agency's property records by the Division of Legislative Audit. The Vice Chancellor for Finance and Administration shall take any action he/she considers appropriate to prevent recurrence. (ACA 19-4-1501)

Stolen Equipment:

The department must notify the University of Arkansas Police Department (UAPD), (or appropriate law enforcement agency in the case of off campus departments) of all items reported as stolen at the time the theft is discovered. The UAPD will investigate and file an official report with the Property Accounting Office. The Property Accounting Office will notify the department and UAPD if there is a significant number or pattern of stolen items. In those cases, the department will need to schedule a security review to be performed by UAPD. Off campus departments will need to file copies of police reports obtained from police agencies other than UAPD with Property Accounting.

Once the review has been performed, the department must submit a plan of action to UAPD and the Vice Chancellor for Finance and Administration (VCFA) to address any problems found. New equipment will NOT be approved for purchase by the department until the action plan has been filed and approved by the VCFA.

Discarded or Cannibalized Equipment:

In all cases, specific written permission MUST be obtained from the appropriate office within Business Affairs prior to any discarding, cannibalizing or trading-in of equipment. Approval to cannibalize should be obtained from Surplus Property. Approval for trade-ins should be obtained from and coordinated through the Purchasing Office.

Departments will reimburse the University from unrestricted gift funds for the cost of equipment that has been discarded without abiding by the proper surplus property procedures (i.e. cannibalized without prior written permission, discarded without permission including donations, etc.)

Items reported as stolen, discarded or cannibalized will be deleted from the department’s inventory by Property Accounting at the end of the fiscal year based upon approval from the Department of Finance and Administration (DF&A).

Any items that require equipment tags are to be reported to the Property Accounting Office who will re-tag the equipment (if located on campus). Any items whose tags are not appropriately fixed to equipment should be reported to the Property Accounting Office.

The following are the recommended guidelines that were adopted by the University of Arkansas upon implementation of GASB34/35 for determining the useful lives of various classifications of equipment.

Type of Equipment	Useful Life (in Years)
Computer Equipment	3-5
Motor Vehicles	5-6
Other Office Equipment	5-7
Buses	5-10
Equipment (non-office)	7-10
Office Furnishings	7-10
Computer Software	7-10
Archives & Collections	10-15
Aircraft	10-15
Watercraft	10-15

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