CONTROLLER'S OFFICE PROCEDURE

Procedure Number	Subject	Effective Date	Revised Date
C-PR-01	Property Procedures	12/15/2003	08/28/2020

I. Overview

The purpose of the property procedures is to ensure that the recording, reconciliation, and accountability of all fixed assets for the university is in compliance with Chapter 273, Florida Statutes, which promotes the control and safeguarding of tangible personal property.

Accounting procedures for the financial reporting of state owned capital assets and depreciation should ensure compliance with the statement number 34 of the Governmental Accounting Standards Board (GASB).

The controller's property office is responsible for the recording and reporting of acquisitions, transfers, and dispositions of assets, recording and reporting depreciation of capital assets over the estimated useful life, maintaining property records in the Ellucian banner fixed asset system, strategic asset tracking system, and reconcile those records with general ledger property accounts. An annual inventory of university capital assets valued at $5,000 or greater, is required and coordinated by the controller's property office. Property custodians are responsible for assisting the controller's property office in the reconciliation of unaccounted assets during the annual inventory process.

II. Property Acquisition Methods

Purchase- Property procurement must be made in compliance with applicable state statutes and regulations and in accordance with the established policies and procedures of procurement services. Freight, installation, and other charges incurred in securing the item(s) are included for assets with an acquisition cost of $5,000 or greater. Florida Statute 273 defines property as equipment, fixtures and other tangible personal property of a non-consumable and non-expendable nature the value or cost of which is $5,000 or more and the normal expected life is one year or more. Capital assets recorded on the property master file may only be purchased though a purchase order. Procurement services is the only university department allowed to use a procurement card to purchase capital assets. When purchasing items that will add value to an existing property asset, the asset tag number must be included on the requisition, the cost of the component will be added to the cost of the original property in the inventory record. Replacement parts, repairs, and service contracts are not considered as additions to the property. Please refer to the Florida Statute Chapter 273. Departments purchasing attractive assets(assets with an acquisition cost of less than $5,000) may use a PCARD.

Bequests,Gifts, Donations and Purchases from UNF foundation- Donations and/or purchased items with a value of $5,000 or more, are reported to the controller's property office for recording as fixed assets. The notification of acceptance of a bequest, gift,purchase or donation should have the description, the location, an estimated current market value, the name of the receiving department, and the name of the individual who accepted the donation or purchase. Donations and/or purchased computer technology with a value of less than $5,000 are recorded on the property master file, but are not tracked during the annual inventory.

Fabrication- Equipment, or portion of which from materials and/or property purchased from university funds, is the property of the university and must be reported to the property office for processing in accordance with university property procedures. The property custodian should maintain accurate records that reflect all the related expenditures including labor and component parts involved in the fabrication of the equipment. Once the fabrication is completed, the property custodian should submit a memo to the controller's property office that contains the description and the accumulated cost of the property, as well as the organization code to which the property will be assigned, and the location. If the accumulated cost could not be reasonably determined, the estimated cost or fair market value of the fully assembled unit should be provided.

Loan,Rent, Lease- Property acquired in a rental or lease agreement is not university property in the sense of this policy since the university acquires the"the right to use" only and, in some instances, the right to purchase, but not title to the property. Where such property is not acquired through the normal activity of procurement services, the representative of the university taking physical possession must report the acquisitions to the property office and EH&S. EH&S is responsible for determining responsibility with regards to insurance, protection from loss or other accountability. A written lease agreement should be executed and signed by EH&S and a university official with contracting authority and a copy forwarded to the property office.

Exchange/Trade In- Property acquired through an exchange/trade -in are subject to the following university procedures for processing newly acquired property. It is important to note that trade-in equipment must be used for the purchase of similar equipment.

Departments are required to complete an online property survey form with all required electronic approvals. The online property survey form can be accessed by logging into myWings portal and click on the banner finance self-service tile.

When the online property survey form is completed, the department will request permission from the property manager for the item(s) to be exchanged/ traded-in. After the property manager approves the exchange/trade-in, the property office will notify the department by email, including a link to the approved online survey form of the approval to proceed with the exchange/trade-in.

The property office will notify procurement services by email that the online survey form has been approved with a link to the details of the surveyed items. This signifies that procurement services can proceed with the exchange/trade-in.

Procedures for the return of defective or incorrect items to the vendor for replacement or repair are available by contacting procurement services.

Discovery-Assets that are tagged and not on the departments inventory list should be immediately reported to the property office. The property office will then determine who the responsible custodian is, and the reason why the asset is not on the property master file.

III. Property Identification

Identification of property- The property office is responsible for tagging property with an acquisition cost of $5,000 or more, computer technology $1,000 to $4,999 and less than $1,000. Attractive technology assets such as dell configured desktops and laptops are pre-tagged by dell. Non-configured dell products, surface tablets, IPADS and other related tablets are assigned an asset tag number. No other assets under $5,000 will be assigned an asset tag. When taggable property is received through central receiving, it gets listed on the Fixed Asset Origination Tag Extract report. This report is used by property to identify assets that need to be assigned an asset tag. If property is delivered directly to the department,(bypassing central receiving), the property office should be notified immediately. The property office will then research available documentation such as requisition, an invoice, purchase order number or pcard transaction. Once located, the property office will assign an asset tag.

Location of tags-Tags should be uniformly located and should be in an accessible location that is easy to scan.

Type of tags- The university uses the 2"x1" polyester thermal transfer label bar code tags to identify property. Each bar code tag is either 12-digits long and starts with "4990" (for assets that are year 2005 and older) and 8 digits long (for assets 2006 and older).

IV. Property Transfers

Change in Accountability- An online property transfer form is to be completed when property items are transferred between university departments. The online property transfer form can be accessed by logging into the myWings portal and click on the banner finance self-service tile. The online form is to be initiated by the transferring department and must be approved by both the transferring and receiving custodian. Failure to promptly process this document will result in inaccurate property records and the transferring department will not be relieved of its custodial accountability.

V. Off-Campus Use of Property

The removal of equipment from the university premises for official use by university personnel should be documented properly. Graduate students may remove university equipment from the premises for research, with approval from the department head. Departments requesting for OPS staff to use university equipment for off campus use, will need approval from the department head and property office.

Departmental Equipment Check-Out Log(For Vehicles, Trailers and Vessels)-each department will be responsible for maintaining this check-out log on equipment that is removed from campus for university business. This log must be available for review upon request by the property office, the internal auditor or auditor general. This equipment and check-out log must be verified during each inventory cycle. Also, a copy of the documentation should accompany the equipment that is being checked-out.

Equipment Check-Out Form-Prior to the removal of asset tagged equipment for university business, an online checkout form must be completed. The online checkout form can be accessed by logging into the myWings portal and click on the banner finance self-service tile. The custodian's electronic approval conveys permission to remove the equipment from campus. All university owned equipment must be returned to campus upon an employee's separation from the university. Once the equipment is returned, the online checkout form must be reprocessed by the custodian signifying that the equipment has been returned or "checked in". Online check-out forms must be approved by the user and an appointed department approver. Departments are responsible for tracking, managing, and updating checkout forms for assets used off campus.

VI. Surplus Property

The disposal of technology assets must be approved by the department's equipment manager and the property office. The disposal of non-technology assets must be approved by the department head and the property office.

Survey Request- For technology assets, the equipment manager must complete an online property survey form, requesting release of accountability, and to have the assets removed from the property master file and the department. For non-technology, the department must complete the survey form. The form must be completed in its entirety to be processed for surplus pick-up. The online property survey form requires the electronic approvals of the department head, equipment manager (if technology), property manager or assistant controller of property. The online property survey form can be accessed by logging into the myWings portal and click on the banner finance self-service tile.

Reasons for Surveying Property- The following are the most common reasons for surveying property:

        Damaged or destroyed
        Worn or obsolete
        Replaced by purchase of other equipment
        Lost, missing or stolen

Please note the correct reason on the online property survey form, as this allows the property office to determine if the asset will be slated for auction or recycle.

Removal- Once the survey form has been approved, the equipment is moved to property surplus, located at Roy Lassiter Hall, Building 8/1205. Accountability is transferred to the property office until the disposition of the equipment is determined, either by sale at auction or recycling. Property office maintains the records of surveyed equipment through the online property survey module.

Disposal of Surplus Computers- Computer equipment should be managed in a way that protects the environment and university assets, in an effort to minimize landfill and maximize its re-use.

The technical support personnel identifies the items to be removed on the online property survey form, and ensures electronic approval by the department head, property manager or assistant controller of property.

Technical support personnel prepares the item(s) for pickup. These technicians will delete all data and any software, including operating systems, on hard drives and certify that they were wiped clean.

The department will coordinate the pickup by submitting a work order.

The property office will coordinate donations upon request. A letter of intent is requested from the non-profit, and a copy of the 501(c) (3), or a copy the Sales Tax exemption certificate. At the time the organization notifies that they will send a representative to pickup the computers, the property office will remove all asset tags prior to the computers being donated. Non-technology assets being donated require the removal of asset tags and require the same documentation.

Authority for Disposal-University property will not be sold, transferred, used for parts, scrapped or destroyed without prior approval from the property manager or assistant controller of property.

Methods of Disposing of Surplus Property- The property office will have the responsibility for the disposition of property.

Transfer to Another State Agency- The property department may authorize the transfer of equipment to another state agency, including other educational institutions if requested.

Property Used for Parts-The property department may authorize the disposition of equipment to be used for parts.

Abandoned Equipment-The property department may authorize the abandonment of tangible personal property, in place,upon determination that the cost to return or repair exceeds the value of the property.

Auctions-The property office conducts periodic online auctions, the sale of such property determined to be surplus of the university under the following conditions:

Online auctions will be conducted on a set date and time, and advertised on the auctioneer's website no less than two weeks prior to the sale.

Auctions are conducted at the discretion of the property office. *Please click here for upcoming changes to the surplus property auction process.

Scrap Disposal-Any remaining property will be scrapped in a manner consistent with the university's recycle program and hazardous waste disposal regulations.

Disposition of Proceeds Received From Surveyed Property-Proceeds received from the sale of surveyed property will be used for direct support of the surplus process in accordance with Florida Statute 273.055.

VII. Property Inventory

The vice president of administration and finance is the custodian for all university property. Custodial responsibility has been delegated to an accountable officer who is typically the department head.

Section 273.02, Florida Statues, requires an annual inventory of property. In order to comply with this requirement, the university's property office is responsible for coordinating the physical inventory schedule by division and department. The university currently has two types of inventory processes, centralized and decentralized. **Staff from internal auditing or auditor general may also validate the property audit, so it is imperative that the property inventory instructions are followed accurately. Centralized inventory means the property office must complete an onsite inventory of all capital assets within a department. The centralized process is for high risk departments. These departments are medium to large size with an enormous amount of assets and have a tendency of having unaccounted assets during the audit process.**

Once custodianship is assigned, the custodian becomes responsible for the inventory items that have been accepted, as well as future purchases. The custodian is held accountable for all items in the department.

The custodian is responsible for submitting the online transfer form when property items are reassigned to other departments.

The custodian is responsible for completing and submitting the online property checkout forms when assets are authorized for removal from campus.

The property office will use a scanner that reads the bar code tags on assets. The information collected in the scanners will be uploaded into the property asset system. Asset listings are sent to the custodians to be used in the reconciliation of the physical inventory.

The following procedures for centralized inventory outlined below will be followed:

A listing of all capitalized equipment assigned to each department will be provided annually by the property office.

The department head should identify a custodian within the department who will be responsible for physically checking the inventory.

The custodian must assist the property staff in providing access to all areas within the department, to ensure that assets are accounted for.

Verification of the building, custodian, and room information is updated by the scanner.

Once all department items have been scanned, the data will be uploaded to the strategic asset tracking system and the property master file, where assets are updated, i.e., location, custodian, inventory date, etc.

An annual physical inventory is not required for library resources. The catalog and inventory control records maintained by the library shall constitute the property records.

A listing of unaccounted assets is sent to the department. The department is given ample time to locate the unaccounted assets. Additional time is allowed upon request.

Decentralized inventory is for low risk departments. These departments tend to be smaller in size with minimal amount of capital assets. These low risk departments have no unaccounted assets during the initial inventory sweep for two consecutive years. The decentralized asset inventory certification procedure link is located on the controller's office website under property procedures. On occasion, the property office will conduct random inventory sampling and the department scheduled for the random sampling will be notified in advance.

Before the start of the physical inventory, the property office will review the results of the past two fiscal year's inventory results and determine the departments that successfully accounted for all assets and designate these departments as low risk.

The property office will provide the department the annual physical inventory certification listing of all assigned assets to the department as of record. The department will be afforded two weeks from the date the certification list was provided to complete the inventory certification.

The department will update the asset list spreadsheet for assets that were recently deployed and not originally listed, and assets that are listed, however were transferred to another department and/or disposed for surplus.

Upon completion of the decentralized inventory, the chair or director and designated inventory contact must sign and return the annual physical inventory certification to the property office. Electronic submissions, i.e., emails, are acceptable.

During the fiscal inventory, the property office will conduct spot-checks, to ensure controls are in place. Items lost, missing or stolen must be reported to the university police department and property office.

All discrepancies between the property reports and the physical count must be resolved and should fall within the categories described in this section.

Items on Inventory, Not Found

Stolen or Missing Equipment: The custodian or equipment manager must contact the university police department to file a report, a copy of which should be submitted with your completed inventory list. (The police report must show the police report number and name of investigating officer).

Surveyed Items: If the custodian or equipment manager submitted an online property survey form but the item is still listed on your inventory, please verify that the form has been properly approved.

Transferred Equipment: If any item has been transferred to another location, a copy of the "property transfer request" must be attached. Until this property has been accounted for in the new location, it is still the responsibility of the custodian who transferred the property.

Property Removed From Campus: For any property removed from campus for university business or for repair by a vendor, **an online property check-out form must be completed.** Please ensure that an online property check-out form has been properly submitted and approved. New property should not be removed from campus until it is assigned an asset tag number, and an online check-out form is completed and approved.

Items Found, Not On Inventory

Capital assets and capital computer technology assets that are located, but not on the inventory will require additional information from the department.

Off Campus Property

Property located at off campus locations must be accounted for during the physical inventory process. The property office distributes the inventory report to the parties responsible for performing the physical verification. The custodian is responsible for ensuring that off campus property is verified, and must provide confirmation by providing electronic photos of the assets.

The Property office must verify assets located at off campus locations during every inventory cycle.

Appendix 1- Basic Property Terminology

"Accountable Officer"- typically the department head or someone who has been designated by a department head and has signature authority for a department, and who is responsible for the items assigned to and purchased by the department. Also, the "primary investigator" administering a contract or grant is the accountable officer for property acquired by or assigned to the contract or grant project. Sponsored research must approve transfers and dispositions of any property acquired with contract or grant funds.

"Added Value Items"- this group comprises of equipment that cannot be assigned an asset tag because it is an internal part or component of another piece of equipment. Proper accounting for capital assets, requires that added value items be designated as such, and that the equipment in which an added value item will be installed be identified by the asset tag number, and should be identified on the requisition.

"Attractive Property"- computer technology that has an acquisition cost of less than $5,000.

"Cost"-the acquisition or procurement cost (i.e.: invoice price plus freight, installation charges less any discounts plus attachments and trade-in value received, if any).

"Custodian"- an individual who is responsible for property owned by the State. The custodian for the university is the vice president of administration and finance. (Refer to 273.01 Florida Statutes).

"Custodians Delegate"- an individual who has been delegated by the custodian as having the immediate control of and accountability for specific items of property. For the university, a custodian's delegate is that appointed officer having supervisory responsibility over a specific accountable group of officers/project directors (i.e.: deans of a college, vice presidents, associate vice presidents, etc.).

"Fixed Capital Outlay"- Real property (land, buildings, fixtures and fixed equipment, structures, et.). This includes additions, replacements, major repairs, and renovations to real property that materially extend its useful life or materially improve or change is functional use. Furniture and equipment necessary to furnish and operate a new or improved facility is also fixed capital outlay. (Refer to 216.011 (1) (p) Florida Statutes).

"Governing Laws, Rules and Regulations"- Florida
Statutes, Chapters 273, 284 and 705.18.

"Inventory Process"- the university has implemented a centralized and decentralized inventory process. Once a year, the property office staff conducts a centralized inventory of high risk departments and a decentralized inventory of low risk departments for all recorded capital assets. Any unaccounted assets are sent to the custodian of the department and has a set deadline to locate.

"Operating Capital Outlay" (OCO)- equipment, fixtures, and other tangible personal property that are not consumable or expendable , the value or cost of which is $5,000 or more and the normal expected life of which is one year or more. Also hardback-covered bound books that are circulated to students or the general public, the value or cost of which is $25 or more, and non-circulated hardback-covered bound books the value or cost of which is $250 or more. (Refer to 273.01 Florida Statutes).

"Property"-all tangible personal property owned by the state and that conforms to the OCO definition.

Property Department"- a unit within the office of the controller that is responsible for the reconciliation of all capitalized university property.

"Property Manager"- an employee in the controller's office who supervises the daily property operations.

"Surplus Property"- surplus, state-owned, tangible personal property which is determined to be surplus because it is excess, obsolete, uneconomical or inefficient for continued use.

"Tangible Personal Property"- all personal property, other than real estate, acquired by and belonging to the State of Florida.