

Texas A&M University-San Antonio

21.01.09.01.01 Accountability and Responsibility of State Property

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Procedure Statement

This Procedure implements The Texas A&M University System (System) Regulation [21.01.09 Fixed Asset Management](#). It sets forth the overall procedures for management of real and personal property within Texas A&M University- San Antonio (A&M-San Antonio) and prescribes the duties and functions of selected key personnel. It must be used in conjunction with the *State Property Accounting Process User's Guide*. In the event that these procedures are in conflict with the State Comptroller's manual, the Comptroller's guidelines will prevail. Other basic controlling guidance for asset management is included in the Texas Government Code Section 403.271 and Section 403.273.

Official Procedure

1. GENERAL

1.1 Texas Government Code Ann. Sec. 403.273.

1.1.1 The head of each state agency is responsible for the custody and care of state property in the agency's possession.

1.1.2 The head of each state agency shall designate a Property Manager and inform the State Comptroller of the designation. Subject to State Comptroller approval, more than one Property Manager may be designated.

1.1.3 The Property Manager of a state agency shall maintain the records required and be the custodian of all property possessed by the agency.

1.1.4 When a state agency's capital and/or controlled personal property is entrusted to a person other than the agency's Property Manager, the person to whom the property is entrusted shall acknowledge, in writing, receipt and responsibility for the property using the approved university form. Division and department heads can be accountable property officers.

1.1.4.1 A state agency may lend its property to another state agency only if the head of the agency lending the property provides written authorization for the lending.

The head of the agency to which the property is lent must execute a written receipt.

1.1.4.2 The University President delegates to each division head responsibility for control of all capital and controlled personal property assigned to their division. Division heads can further delegate this responsibility to department heads appointing them as accountable property officers.

1.1.4.3 When an accountable property officer assigns personal property to an individual for their use, the accountable property officer and the individual receiving the personal property must complete the applicable university form. These forms must be submitted to the Property Manager within 5 business days of issuing personal property to the individual. The forms are important in tracking inventory and determining responsibility of personal property in cases where inventory is lost, stolen or damaged. The accountable property officer must also complete the applicable university form to document the movement of property to another location.

1.1.5 A state agency shall conduct an annual physical inventory of all capital and controlled personal property in its possession. The State Comptroller may specify the date on which the inventory must be conducted.

1.1.6 At all times, the property records of a state agency must accurately reflect the property possessed by the agency. Property may be deleted from the agency's records only in accordance with rules adopted by the State Comptroller.

1.1.7 The State Auditor, based on Section 321.013, may periodically examine property records or inventory as necessary to determine if controls are adequate to safeguard state property.

1.2 Texas Government Code Ann. Sec. 403.275.

1.2.1 The liability prescribed by this section may attach on a joint and several basis to more than one person in a particular instance. A person is pecuniary liable for the loss sustained by the state if:

1.2.1.1 Agency property disappears as a result of the failure of the head of an agency, Property Manager, or individual entrusted with the property to exercise reasonable care for its safekeeping;

1.2.1.2 Agency property deteriorates as a result of the failure of the head of an agency, Property Manager, or individual entrusted with the property to exercise reasonable care to maintain and service the property; or

- 1.2.1.3 Agency property is damaged or destroyed as a result of an intentional wrongful act or of a negligent act of any state official, employee or individual.
- 1.3 Compliance Requirements – Inventory of furniture and equipment of A&M-San Antonio is conducted in compliance with the [State Property Accounting Policies and Procedures](#), [State Property Accounting Process User’s Guide](#) and [The TAMUS Asset Management Manual](#).
- 1.4 Property Accountability – The President of A&M-San Antonio is accountable for all real and personal property possessed by the University. In accordance with the Property Law of the State of Texas, this accountability is delegated by the President to the Division Heads and various Accountable Property Officers by filling out the applicable university’s Delegation of Responsibility for State Property Form. In addition, an individual is accountable for personal property assigned to them for their use.
- 1.5 Change in Accountable Property Officers – In the event of a change in Accountable Property Officer, it will be the responsibility of the newly appointed accountable property officer to satisfy himself or herself that all items of furniture and equipment are present and in good condition before accepting responsibility for property. The outgoing and incoming Accountable Property Officers must consult with the university’s accounting department (specifically the university’s Property Manager) to complete all necessary paperwork for the Property Manager.
- 1.6 New Furniture and Equipment – The Mail and Receiving Department will receipt in FAMIS all furniture and equipment meeting the criteria for inventory control. Once the receiving function has been completed, FAMIS will generate a sequential preliminary asset number for each item received. The Mail and Receiving Department will record in FAMIS the cost, serial number, asset classification, department number, building and room number for each preliminary asset number generated. Based on these preliminary asset numbers, the Mail and Receiving Department will manually create property tags using the “Bar Tender” program. Each asset tag will contain the “Property of the State of Texas (TAMU-SA),” asset number and serial number, if applicable. However, prior to tagging furniture and equipment with a A&M-San Antonio inventory bar code control number, the Mail and Receiving Department will match the item’s serial number with the vendor invoice. The Mail and Receiving Department will then submit an inventory data sheet to the Accounting Operations Department to finalize in FFX the preliminary asset numbers generated by FAMIS. The inventory data sheet includes the asset number, cost, serial number, asset classification, and department number. The Mail and Receiving Department will document the transfer of the equipment to the department receiving the asset.
- 1.7 Transfer of Furniture and Equipment – University capital and controlled personal property must not be moved from one accountable property officer to another without proper authorization using the applicable university form. All transfers or changes in

location of property, whether inside or outside the department/division, require submission of the university's Accountable Property Transfer or Change of Location Form to the Property Manager within 15 business days. If the transfer/change involves another department, the form must be signed by the Accountable Property Officer relinquishing control over the property to the Accountable Property Officer receiving the property and the Property Manager. An accountable property officer transferring equipment to Information Technology for repairs will maintain documentation, with all relevant information and signatures, of the temporary transfer within the department and provide that documentation to auditors when required.

- 1.8 Gifts of Property or Equipment – All gifts or offers of property or equipment to the University must be reported to the Property Manager upon formal acceptance in accordance with A&M-San Antonio Procedure 21.05.01.00.01 *Accepting Gifts, Donations, Grants and Endowments*. When the Property Manager is notified in writing of the acceptance, gifts meeting the criteria of capital or controlled personal property will be given an inventory number and will be tagged, if possible.
- 1.9 Loans of Furniture and Equipment – An accountable property officer loaning equipment to another accountable property officer will complete the appropriate university form to document the transfer of the property. This also applies to the temporary loans of equipment from Information Technology to university departments.
- 1.10 Removal of University Capital Personal Property or Controlled Assets From the Premises of the University – Any off-campus use of this property must have proper authorization and prior written approval of the Accountable Property Officer utilizing the appropriate university form before this property may be removed from the campus. Removal of this property without such written authorization may result in disciplinary action and financial liability for the loss or damage to the equipment. If State property is removed from the premises, the individual removing it assumes financial responsibility for the property and must use reasonable care in safeguarding and using the property. University property must be used for university business and may not be used for personal gain or in competition with private enterprises.
- 1.11 Equipment to be Discarded – When university capital personal property or controlled assets becomes obsolete, broken beyond reasonable repair, or otherwise deemed not needed by the university, the Accountable Property Officer will notify the Property Manager and initiate the Property Deletion Request Form and submit it to the Property Manager for approval. Accountable Property Officers must comply with University Procedure 21.01.10.00.01 *Surplus, Salvage or Cannibalized Property* when wanting to discard university capital or controlled personal property.
- 1.12 Trade-In Equipment – When equipment is to be traded-in for new equipment, a description of the item or items to be traded-in, including the inventory number, shall be shown on the requisition form and reported to the university's Property Manager.

- 1.13 Damaged, Missing, or Stolen Property – The Accountable Property Officer is required to submit a Missing or Stolen Property Report to the Property Manager for any damaged, stolen, or missing items. The Accountable Property Officer will notify the Property Manager within 24 hours of identifying missing capital and controlled personal property. Stolen and missing property must be reported to the proper police authorities within 48 hours of identifying a loss of capital personal property or controlled assets. The Vice President for Business Affairs (VPBA) is designated to review the Missing or Stolen Property Report and any other information surrounding the loss, missing, or damage to accountable property. If he/she determines negligence was not involved, or is unable to determine if negligence was involved, he/she may close out the report. If the Vice President for Business Affairs determines negligence was involved, he/she will recommend to the president, for approval, collection of the estimated fair market value of the lost, missing, or damaged property.
- 1.14 Deletion of Inventory – If property must be deleted from the inventory (due to loss, theft, destruction, etc.), the Property Manager must be notified and provided with justification for the deletion request. If the request is determined to be appropriate, the Property Manager will communicate with the State Auditor and secure the approval prior to deleting the property from the inventory. The Property Manager will notify the President prior to notifying the State Auditor.
- 1.15 Uses of University Property – University property shall only be used for official business. No employee of the University shall use any such property for his or her own personal benefit or pleasure, except books and materials from the library.
- 1.16 Fixed Assets and Facilities and Administrative Cost Rates – The accuracy of fixed asset records for both personal and real property is essential to the calculation of the most favorable Facilities and Administrative Cost rate (formerly referred to as Indirect Cost Rate) possible for the University. The U.S. Department of Health and Human Services reviews/audits the rate calculation and sets the rate to be applied to future sponsored grants and contracts awarded to the University.

2. A&M-SAN ANTONIO RESPONSIBILITIES

- 2.1 All state agencies are responsible for the accurate and timely reporting of all real and personal property in their possession. Agencies are also responsible for assuring the accuracy of all statements of financial condition relating to all real and personal property.

3. PRESIDENT'S RESPONSIBILITIES

- 3.1 The President is responsible for the distribution of procedures regarding the accountability for and safekeeping of state property owned or managed by A&M-San Antonio.

- 3.1.1 The ultimate responsibility for accounting and safeguarding of all state property in a state agency's possession lies with the President.
- 3.1.2 University management shall evaluate the adequacy of inventory controls placed on personal property. At the request of an agency, the State Auditor's Office will give advice on internal control procedures.
- 3.1.3 The President shall designate a Property Manager and inform the State Comptroller, in writing, of the designated manager. With the State Comptroller's approval, the President may designate more than one Property Manager by submitting the prescribed form. The President will be responsible for ensuring that the duties of the Property Manager are carried out by a designated staff member or by one or more staff members who perform property management, in addition to regular duties. The President shall inform the Comptroller in writing of designated alternate Property Manager(s).
- 3.1.4 The President may report to the State Comptroller and the Office of the Attorney General (OAG) any missing, destroyed, or damaged capital or controlled personal property. All personal property belonging to A&M-San Antonio that is missing, regardless of negligence or fault, must be reported to the Property Manager and the appropriate law enforcement agency. Based on the findings of the investigation into the loss or damage to capital or controlled personal property, the VPBA/CFO will determine the estimated fair market value of the property and recommend assessment of financial liability to the President for approval.

4. PROPERTY MANAGER RESPONSIBILITIES

- 4.1 The Property Manager is the custodian of all personal property possessed by the university and is responsible for maintaining the required records.
- 4.2 The Property Manager is responsible for coordinating a physical inventory of all capital and controlled personal property each year.

5. ACCOUNTABLE PROPERTY OFFICER'S RESPONSIBILITIES

- 5.1 Accountable Property Officers are responsible for ensuring that individuals assigned University property are aware of their responsibilities for property.
- 5.2 When the University's inventoried property is entrusted to an accountable property officer, the Property Manager shall require a written receipt from the employee receiving custody of the equipment utilizing the Delegation of Responsibility for State Property to University Employee form. In instances when the University's property is assigned to a student, the Property Manager shall require a written receipt from the

student receiving custody of the equipment utilizing the Accountable Property Transfer or Change of Location form. This receipt shall transfer the responsibility for the equipment to the person receiving the custody of the equipment. The receipt must include a detailed list of the property entrusted to the individual, along with a statement of financial liability for loss or damage resulting from negligence, intentional act, or failure to exercise reasonable care to safeguard, maintain and service the property.

5.3 When capital and/or controlled personal property is specifically assigned to an employee for use in the employee's official duties, the Accountable Property Officer must submit a completed Delegation of Responsibility for State Property to University Employee form to the Property Manager and ensure that upon the employee's transfer or termination, all equipment assigned to the employee is returned to the applicable Accountable Property Officer.

5.4 Members must know where all assets are located at all times, should have a method for locating any inventory item whether on-site or off-site under their control, and should be able to locate a given item upon request.

Related Statutes, Policies, or Requirements

[21.01.09 Fixed Asset Management](#)

Forms

[Delegation of Responsibility for State Property Form](#)

[Delegation of Responsibility for State Property to Department Accountable Property Officer Form](#)

[Delegation of Responsibility for State Property to University Employee Form](#)

[Accountable Property Transfer or Change of Location Form](#)

[Off-Campus Use of Accountable Property Form](#)

[Property Additions and Deletions Request Form](#)

[Missing or Stolen Property Report](#)

Definitions

Accountable Property Officer – This individual is designated in writing via a delegation that begins with the President and is responsible to perform the daily functions of property management for property assigned to his/her custody. Accountable Property Officers for A&M-San Antonio are limited to Division and Department Heads.

Capital Items – Capital assets are real or personal property that has a value equal to or greater than the capitalization threshold for the particular asset classification and have an estimated useful life greater than one year. Capital personal property will be inventoried and accounted for according to this procedure.

Controlled Asset/Personal Property – Certain personal property that does not meet the capitalization threshold but that must be inventoried and tracked per state regulations. .

Personal Property – This category is defined by the SPA Process User’s Guide as fixed or movable tangible assets to be used for operations, the benefits of which extend beyond one year from date of acquisition and rendered into service. A&M-San Antonio’s AVP for Financial Services and Comptroller will identify personal property having sufficient value to warrant inclusion in fixed asset financial reports. Personal property does not include consumable items, nor does it include real property. It can be a capital personal property asset or a controlled asset. Capital personal property and controlled assets must be inventoried. Capitalization is mandatory for all equipment having a unit value of \$5,000 or more and an estimated useful life of more than one year.

Property Manager/Alternate Property Officers – These managers are normally responsible for both real and personal property. The university’s designated property manager is the Assistant Comptroller/Director of Accounting Services.

Real Property – This category is defined as any interest in land, together with structures, fixtures and improvements of any type located thereon. The term “real” should be associated with realty, land or something attached thereto. Real property falls into the following classes: land and land improvements, buildings and building improvements, facilities and other improvements, infrastructure and construction in progress. The Contract Services Manager is responsible for accounting for all university real property.

Reasonable Care – The term reasonable care means that, at a minimum, steps have been taken to maintain the upkeep of any asset in an acceptable manner, ensure the security of any asset, ensure that any asset can be located at any time requested, and ensure that the person responsible for the asset is known.

State Agency – Any department, commission, board, office, or other agency in the executive branch of state government created by the constitution or a statute of this state; or a university system or an institution of higher learning, other than a public junior college.

Contact Office

Business Affairs, Accounting Services (210) 784-2011