

NUMBER: BUSF 5.00
SECTION: Business and Finance

SUBJECT: Property Accountability

DATE: December 15, 2006

Policy for: All Campuses
Procedure for: Columbia Campus
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I. Policy

The Code of Laws of South Carolina requires the heads of State agencies and institutions to be responsible for property under their supervision and requires that such property, except expendable items, be inventoried annually. The accountability, proper care, maintenance and security to prevent misuse or loss for all USC personal property is delegated to vice presidents, deans and department heads, depending on their division or area of responsibility.

A. Property Categories:

- A. **Equipment:** Inventory equipment is defined as furniture, fixtures, and equipment that has a value of \$5,000 or greater and a useful life of over two years. All items that meet these criteria will be tagged and inventoried.
- B. **Expendable property:** Items that are consumed or become unidentifiable with use are considered expendable property and classified as supplies - 53XXX. However, non-expendable property that does not meet the inventory criteria above will also be classified as supplies. Although items of this type will not be considered as inventoried items, a "Property of USC" identification tag (no control number) will be attached by Consolidated Services when items are centrally received. Tags are also available from Consolidated Services for departments to use on items they receive directly.
- C. **Permanently attached equipment:** Items that become a part of a building will be classified as "permanently attached equipment - 56030" and will not be tagged. **Departments are responsible and accountable for all University property and supplies under their domain, regardless of value. No University property shall be disposed of without the prior review and approval of Consolidated Services, a unit of the Department of Purchasing.**

- B. University property can be used only for official University business. Property should not be removed off premises/campus because insurance coverage may not apply. **Exceptions are allowed only by formal, written authorization of chancellors, vice presidents, deans or department heads. However, insurance coverage extends only in U.S. territories, with no worldwide coverage.**

II. Procedure

- A. The University of South Carolina Consolidated Services is responsible for maintaining the detailed inventory records for the University. As new items are purchased they will be tagged either at Consolidated Services or in the department, depending upon where the equipment is delivered.
- B. Consolidated Services will furnish each department with one copy of their updated inventory listing(s) in February of each year. The original copy of the Department/USC Tag Number Order Listing must be signed by the department head, certifying that all items have been physically located or that the proper paperwork has been initiated to correct any discrepancies. All buildings and room location changes must be annotated on this listing, which should then be returned to Consolidated Services within 60 days.
- C. Upon completion of the inventory, any item(s) that are lost, missing or stolen must first be reported to University Police so a written report can be taken. After a complete investigation has been conducted, the department missing the inventory item(s) must complete an Inventory Form #8 (Deletion Request) and forward it to the Director of Law Enforcement and Safety. That office will take the necessary action required and forward the Form #8 to the Vice President for Business and Finance for approval or disapproval. If any equipment was purchased with grant funds, a review will be required by the Director of Contract and Grant Accounting and the appropriate granting agency will be notified of the loss or damage to the equipment.

NOTE: University four- and two-year campuses should report incidences of this type to their appropriate local authorities and forward the results to the University of South Carolina's Director of Law Enforcement and Safety in Columbia. Campuses should also forward a copy of reports that involve equipment purchased with grant funds to Contract and Grant Accounting, so that the appropriate granting agency can be notified of the loss or damage to the equipment.

- D. During the year, each department is responsible for ensuring all permanent changes of equipment location are correctly reflected on the inventory listing.
 - 1. Examples that require reporting:
 - a. Change in building and room location;

- b. Transfer to another department (account number, building and room number);
 - c. Worn out or otherwise declared surplus (These items must not be discarded, but transferred to Consolidated Services. The items must be verified and approved by Consolidated Services before a department can cannibalize worn out equipment);
 - d. Trade-in (used item(s) may not be traded in unless approved by the Purchasing Department prior to trade-in and listed on the purchase requisition);
 - e. Any abandoned property found (report to University Police).
2. Consolidated Services can be notified of permanent changes of equipment location in either of two manners:
- a. Departments can submit a completed Inventory Form #7 (Equipment/Furniture Removal Request) to Consolidated Services, annotating any item of inventoried property permanently removed from a department, or permanently relocated. If the removal or change will be made by the University moving crew, departments must submit a copy of the Inventory Form #7 with the Physical Plant Work Request. Upon completion of a move, a department representative must sign the form to verify and account for all items.
 - b. Departments with access to the on-line Information Management System (IMS) can make building and room location changes directly to the Mainframe database, *instead* of submitting an Inventory Form # 7. Departments can *only* make such changes to items on their department inventory list. To obtain access and instructions for this program, departments must furnish Consolidated Services with the user name, user identification number, department name and account number.
- E. Equipment and furniture deemed excess or surplus by a department must be turned over to Consolidated Services. However, no equipment will be accepted without a properly completed Inventory Form #7. **Under no circumstances can University property be disposed of without the prior review and consent of Consolidated Services.**
- F. Consolidated Services cannot accept items that have been exposed to hazardous properties (biological, chemical or radioactive). These items require specific disposal methods to ensure compliance with all local, state and federal regulations. Items such as vacuum pumps containing oil, engines and motors containing gasoline and oil, old paint, used chemicals, powdered metals, thermometers or other items with mercury; or refrigerators or other equipment labeled for hazardous materials, lead lined water fountains and fume hoods with asbestos, are objects that are not acceptable for Consolidated Services. Some contaminated items may be accepted after all contamination has been removed

and verified by the University Health and Safety Unit. If an item cannot be decontaminated, it must be disposed of properly through the combined cooperation between University Health and Safety and Consolidated Services.

- G. All University property is insured for losses resulting from a catastrophic occurrence such as fire, wind or water. Any occurrence and loss should be reported immediately to the Risk Management Office for disposition. Also, any loss of this nature of inventoried property should be reported to Consolidated Services. General University property is not insured against theft.
- H. Consolidated Services will randomly inspect selected items during the year on an unannounced basis. A list of discrepancies, if any, will be furnished to the department. Action must be taken within 30 days to correct the discrepancies and report the results to Consolidated Services. Refer to section 11.C for proper procedures for any items that are lost, missing, or stolen.
- I. The preceding policies and procedures for property accountability will also be followed for property acquired or transferred from government grant funds. This includes property acquired by a grant for USC or transferred to USC from another institution or governmental agency.
- J. Property acquired by USC with Federal grant funds remains the property of the Federal Government until termination of the grant award; however, in order to meet Federal inventory requirements, grant purchased property will be tagged and inventoried in the same manner as USC inventory. At the termination of the grant award, the Federal government may claim or pass title of the property to USC. Property obtained with indirect cost money from Federal or State grants is University property.
- K. When property is transferred **to** USC from another institution or agency, it is the responsibility of the department head to which this property is assigned to ensure that the Consolidated Services Section and the Contract and Grant Accounting Office receive a detailed list, including description (model and serial numbers), value, location (building and room number), grant fund account number and a copy of the documents which transmitted the property to USC. The Consolidated Services Section will then inventory and tag the property.
- L. When property is transferred **from** USC to another institution, it is the responsibility of the department head to notify the Consolidated Services Section and the Contract and Grant Accounting Office **prior** to the property transfer. The approval of the government agency which holds title to the property is required before any disposition can be made. All property transfers **from** USC require the approval of the Vice President for Business & Finance prior to the transfer.

1. The disposition of federally owned property in the possession and use by the University will be determined in accordance with federal guidelines and the instructions of the federal agency.
2. Property purchased by the University with federal funds, and vested in the University, will follow the guidelines of OMV Circular A-110. Normally, such property will follow the project(s) for which originally purchased. If such project(s) are completed, the equipment will normally follow related federal-funded projects.
3. Property acquired by USC with State matching funds, unless otherwise specified or allowed for in the grant, shall be reimbursed on the appropriate percentage of the fair market value. If a department does not wish to require reimbursement for these matching funds, then the review and approval of the Provost shall be required. All other sales or transfer of equipment must be approved by the State of South Carolina Surplus Property Office in accordance with the South Carolina Consolidated Procurement Code.
4. No property shall be disposed of without the proper review and required approval of Consolidated Services. Departments that do not comply with these policies and procedures are subject to personal liability.

III. Reason for Change

To remove the use of 56100 object code and state the correct number of copies of the inventory listing supplied to departments.

Send Comments to [Venis Manigo](#)