



# **PROPERTY & INVENTORY CONTROL POLICY**

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# **Table of Contents:**

**Purpose of Policy**

**Background**

**Types of Property**

**Inventory Management & Accountability**

**1. Faculty and Staff Responsibilities**

- 1.1. Controller's Office
- 1.2. Property Department
- 1.3. Information Technology Department
- 1.4. Department, Colleges, Centers, or Designee

**2. Acquisition and Valuation of Property**

- 2.1. Property Purchase/Lease
- 2.2. Long-Term Financing
- 2.3. Donated Property
- 2.4. External Transfer of Property to UMB
- 2.5. Professional Development Purchases

**3. Disposition of University Property**

- 3.1. Surplus Property – Disposal
- 3.2. Lost or Stolen Equipment
- 3.3. External Transfer of Property from UMB
- 3.4. Trade-Ins

**4. Internal Transfers of Property**

**5. Receiving and Recording of Property Required to be Tagged**

- 5.1. Asset Tags/University Barcodes
- 5.2. Computer, Laptop and Tablet Acquisitions
- 5.3. Assets approved to be shipped directly to a department

**6. Inventory Process**

**7. Property Passes**

- 7.1. Equipment assigned to staff (Laptops, Tablets & Weapons)
- 7.2. Equipment assigned to departments (Computers & Non-Sensitive Equipment)

**8. Employee Exit Process**

**9. Inventory Control Forms**

## Purpose of Policy:

To define departmental responsibilities for the management and control of property owned by or in the custody of the University of Massachusetts Boston.

## Background:

Chapter 75, Section 12, of the Massachusetts General Laws (MGL) delegates to the Board of Trustees the responsibility of managing and administering, on behalf of the Commonwealth, all property, real and personal, occupied or used by the University of Massachusetts. University policy is governed by Trustee Doc T96-073, Capitalization and Inventory Control Policy, and is managed in accordance with the President's Inventory Guidelines for Capitalization.

The Board of Trustees assigns the Chancellor of each campus general responsibility for the care and custody of property belonging to or in the care of the University of Massachusetts. In accordance with Trustee Doc. T96-073, ***all members of faculty and staff shall be informed of their responsibilities for the use and care for safekeeping of all property under their respective departments.***

Title to or ownership of all Commonwealth/University property shall be vested in the University of Massachusetts. Title does not rest with a department, faculty, staff, or principal investigator, regardless of source of funds or donation associated with the acquisition.

Each campus is responsible for maintaining records for all capital and sensitive non-capital equipment in the University's asset management system. Capital asset thresholds follow standards set by the University of Massachusetts President's Office and are in accordance with Generally Accepted Accounting Principles (GAAP). Sensitive equipment is currently defined by UMB as computers (desktop & servers), laptops, tablets, and weapons. These items are considered sensitive as they can store sensitive university information, may need to be controlled to meet external reporting requirements, or may easily be converted to personal use.

Furthermore, periodic inventory occurrences and disposition of all University property must be in accordance with Federal & State regulations and University policies.

## Types of Property:

Type	Definition	AMS*	Tag
Capital Assets			
Land	All	Yes	No
Buildings	All	Yes	No
Improvements	Project costs > \$25,000 and prolong/enhance useful life	Yes	No
Equipment - Fixed	>= \$5,000 and has a useful life >2 years	Yes	No
Equipment - Movable	>= \$5,000 and has a useful life >2 years	Yes	Yes
Software	>= \$100,000	Yes	No
Non-Capital Assets			
	< \$5,000		
Equipment - Sensitive	Computers (desktops & servers), laptops & tablets	Yes	Yes
Equipment - Sensitive	Weapons	Yes	Yes
Equipment - Other	Items having a useful life > 2 years	No	No
Consumable Goods	Items having a useful life < 2 years	No	No
Leased Equipment			
	Right to use assets, not owned by the University	No	No
*AMS - Asset Management System			

All capital and sensitive non-capital assets are required to be recorded in the asset management system (AMS). Movable and sensitive equipment are tagged with a University barcode upon delivery to the campus and undergo a biennial inventory process.

Property recorded in the AMS and not tagged are reviewed annually by the Controller's Office to determine if the assets are still in use and are not impaired. This review is performed as part of the financial statement audit process.

For property not required to be recorded in the AMS, it is the responsibility of the department to safeguard them from theft and ensure the items were not purchased for personal gain. In addition, departments are responsible to certify, on an annual basis, that leased equipment under their control is accounted for and utilized in the ongoing operation of the department.

**All university owned property, regardless of status, must be disposed of in accordance with the campus surplus or other defined process.**

# **INVENTORY MANAGEMENT AND ACCOUNTABILITY**

## **1.0 Faculty & Staff Responsibilities**

Inventory management and accountability of university property requires the leadership of the Controller's Office, Property Department and Information Technology (IT) Departments to work with Campus Deans, Department Heads, Directors, or Department Property Custodians (DPC) in a coordinated effort to maintain asset management records and inventory control.

### **1.1 Controller's Office**

The Controller's Office is responsible for ensuring campus compliance of Board of Trustees policies and Federal & State regulations. Responsibilities include:

- Develop, implement, and update as needed, campus inventory control policies & procedures.
- Maintain asset management records and inventory control for capital equipment not required to be tagged with a barcode for physical inventory.
- Work with departments to ensure leased property, or right to use assets, are accounted for and utilized in the ongoing operation of the department.
- Submit the campus Chapter 647 report identifying all unaccounted-for variances, losses, and shortages of equipment to the University Internal Audit Department monthly, as required by state law.

### **1.2 Property Department**

The Property Department is responsible for maintaining AMS records of equipment (movable and sensitive) and completion of the required biennial inventory of movable equipment and weapons. Responsibilities include:

#### **1.2.1 Update Asset Management System Records**

- Tag and record in AMS newly acquired equipment and perform reconciliations of these additions to accounts payable payments.
- Process updates within the AMS for forms submitted by departments.
- Update system with inventory dates for desktop computers, laptops & tablets as communicated by the IT Department.

### **1.2.2 Inventory**

- Perform and/or oversee departmental inventory process for movable equipment and weapons.
- Follow-up with departments for non-IT equipment not inventoried within the last inventory cycle.
- Follow-up with the IT Department for IT equipment not inventoried within a 24-month period.

### **1.2.3 Training**

- Provide assistance to departments in understanding departmental responsibilities in equipment management, record keeping, and inventory control.

## **1.3 Information Technology Department**

The IT Department is responsible for inventory management of all IT equipment defined as desktop computers, laptops, tablets, and servers and providing the Property Department with inventory updates for processing in the AMS. Responsibilities include:

### **1.3.1 Encryption and Data Security**

- Install image/tracking software on assets prior to releasing to department.
- Track and monitor asset locations to ensure that all equipment is encrypted, and sensitive data is secure and report inventory occurrence to the Property Department on an ongoing basis.
- Remotely lock and/or remove sensitive data from equipment as needed in the instance when notified by campus police, controller's office, property department or DPC.

### **1.3.2 Inventory**

- Use tracking software to locate IT equipment (IP address). If located, report inventory occurrence date to the Property Department.
- For desktop computers, laptops or tablets that have not been located through the tracking software within the two-year requirement, provide most recent information about the computer and its ownership to Department Head and Department Property Custodian, and request them to physically locate the missing devices as described in 1.4.2
- For all devices that are located after not being found by IT, ensure that necessary settings and software are installed as described in 1.3.1 so that it will be findable next time.

### **1.3.3 Data Removal**

- Degaussing or removing of data from all equipment that stores data as required when equipment is redeployed or disposed of through the campus surplus process.

### **1.3.4 Recycle or Surplus**

- Evaluate assets in inventory to determine if they are to be transferred to another internal department, re-purposed or disposed of and follow appropriate processes.

## **1.4 Departments, Colleges, and Centers**

The Dean, Department Head, or Director is responsible and accountable for ensuring the proper use and safekeeping of all property within their respective departments.

The Dean, Department Head or Director, assumes responsibilities of the department's property custodian (DPC) unless a designee is assigned to this role. For property recorded in the Asset Management System, the DPC is responsible for:

### **1.4.1 Update Asset Management Records**

- Report missing barcode labels to the Property Department.
- Notify the Property Department of end-user or location changes of tagged property under their control by submitting appropriate property forms approved by the Dean, Department Head or Director.
- Report lost, stolen or surplus property timely using the appropriate forms.
- For stolen property, contact Public Safety and, in the case of IT equipment also contact Information Technology.
  - Public Safety will determine if an investigation is warranted and complete a report that will be sent to the Property Department.
  - IT will remotely lock and remove sensitive data from the stolen item.

### **1.4.2 Inventory**

- Coordinate physical inventories with faculty and staff (i.e., locating equipment, scheduling access to equipment) as requested by the property and information technology departments.
- When devices are found with a physical inventory, after not being found by the IT department's digital inventory scans, work with IT to ensure that necessary settings and software are installed as described in 1.3.1 so that it will be findable next time.
- On an annual basis, certify that any leased equipment under their control is accounted for and utilized in the ongoing operation of the department.

### **1.4.3 Training**

- Attend training and meetings with the Property or IT Departments as required.

## 2.0 Acquisition and Valuation of Property

Property may be acquired through purchase, lease, long-term financing, or donation (including transfer from an external organization.) Asset valuations should include additional costs necessary to place the item in service including freight, peripherals, and installation costs. Discounts, if any, are excluded from the valuation.

**2.1 Property Purchase/Leased** – Property purchased by the University must be in accordance with Purchasing Policy (T92-031, Appendix A) and is valued at invoice price.

- Purchase Orders are to be utilized for leased and purchased property.
- For Property acquired via trade-in of an existing item, purchase requisitions must note details of the property being traded-in and provide information necessary for the Property Department to update the AMS (description, barcode, serial number, and trade-in value (if any)). The newly acquired property is valued at the gross charge of the item, not including the discount.
  - ORSP **must** approve **in advance** the use of trade-in property purchased with grant funds,
- For property replaced under warranty, departments must notify the Property Department. The replacement item will be managed under the same policies and procedures as the original purchased item.

**2.2 Long-Term Financing** – Property acquired through long-term financing is recorded at total amount financed. Most debt financed activity is managed by the University of Massachusetts Building Authority (UMBA) and is recorded within UMBA's asset management system. Departments are to work with the controller's office when assets acquired by UMBA are removed from operation.

**2.3 Donated Property** - Donated property is valued at its fair market value at the time of the donation and is processed through University Advancement. For items required to be inventoried or tracked, University Advancement is responsible for notifying the Controller's Office of the donation and its value. The property staff will work with the department to tag the item and updated the asset management accordingly.

### 2.4 External Transfer of Property to UMB

Property may be acquired through a transfer from an external institution or from the Commonwealth's excess/surplus process.

*This process is a work-in-progress and will be updated at a future date.  
Requests of this kind should be directed to [property.control@umb.edu](mailto:property.control@umb.edu).*

**2.5 Professional Development Purchases** - Title of Moveable Equipment is contingent upon terms in the Professional Development Agreement.

- Reimbursed items are property of the University.
- For an employee to retain ownership of property the funds should be paid as taxable earnings where they can reimburse themselves for the cost of the item.



## 3.0 Disposal of University Property

When property can no longer be used by the university, is lost, stolen, traded in or transferred to an external entity, it must be processed in the following manner.

### 3.1 Surplus Property - Disposal

The campus surplus process is a collaboration between the Receiving Department (non-IT property) and Information Technology Department (computers, servers, laptops & tablets) in accordance with State law. ***The sale of university property outside the campus surplus process is prohibited.***

#### 3.1.a IT Equipment

- For removal of IT equipment such as computers, servers, laptops or tablets from a department, complete the PRO-01 IT Data & Department Removal Form and contact the IT Service Desk to schedule an appointment.
  - Upon removal, both the Dean, Director, Department Head, and IT staff must sign the form indicating the items have been removed from the department.
  - The DPC (relinquishing department) is responsible for submitting the signed PRO-01 IT Data & Department Removal form to property staff (property.control@umb.edu) for removal the items from the asset management system.

#### 3.1.b Non-IT Equipment

- For removal of all non-IT equipment, complete the PRO-02 Movable Equipment Surplus Form and email the Receiving Department to schedule an appointment.
  - Upon removal, both the Dean, Director, Department Head and Receiving Department must sign the form.
  - The DPC (relinquishing department) is responsible for submitting the signed PRO-02 Movable Equipment Surplus Form to property staff (property.control@umb.edu) for removal the items from the asset management system.

### 3.2 Lost or Stolen Equipment

University property that is stolen must be reported immediately to campus police or other law enforcement agency (i.e., local or state police) based on where the incident occurred. Police reports will be used for disposal purposes.

- To protect sensitive information stored on university equipment (computers, servers, laptops, or tablets) all lost or stolen IT equipment must also be immediately reported to the IT Service Desk where the equipment will be locked.

- For the loss or theft of any type of equipment, IT and non-IT, the DPC must notify the property staff in the following manner.
  - For theft – contact the Property Supervisor by email or phone
  - For lost items, not deemed to be stolen – complete the PRO-03 Missing Unaccounted-for Form and submit to [property.control@umb.edu](mailto:property.control@umb.edu).

The Controller's Office is required to submit a report of all unaccounted-for variances, losses, and shortages of equipment to the University Internal Audit Department. This report is known as the 'Chapter 647 Incident Report' and is filed with the State Auditor's Office monthly.

### **3.3 External Transfer of Property From UMB**

Equipment purchased with sponsored (grant or contract) funds that is required to be tagged may be relinquished to another institution if the grant or contract is being transferred to that institution (active projects only). Prior to the transfer of equipment, Departmental Property Custodians must complete the PRO-07 External Transfer Form, obtain approval from Office of Research & Sponsored Programs (ORSP) and submit the form to [property.control@umb.edu](mailto:property.control@umb.edu).

- For IT equipment, DPC's must also contact the IT Department to determine if sensitive university data should be removed.

### **3.4 Trade-ins**

Purchase Requisitions should note when equipment is being traded-in and provide the relevant information (description, barcode, serial number, and trade-in value (if any)) about the equipment being traded in.

- Prior to the item leaving campus, the DPC must notify property staff for removal of the UMB tag. Property staff will update the asset management system accordingly.
  - For trade-in equipment purchased with grant funds, ORSP must also approve the action in advance.
  - For IT equipment, DPC's must also contact the IT Department to determine if sensitive university data should be removed.

## **4.0 Internal Transfers of Property**

When movable equipment is no longer needed for the operation of the custodial department it can be transferred to another department using the applicable form. In both cases, the form must include signatures from both the receiving and relinquishing department approvers. The relinquishing department is required to submit the signed form to the property staff ([property.control@umb.edu](mailto:property.control@umb.edu)).

- Non-IT Equipment: PRO-06 Internal Transfer Form.
- IT Equipment: PRO-01 IT Equipment Data & Department Removal Form and schedule an appointment via the IT Service Desk.

## **5.0 Receiving and Tagging Property Required to be Inventoried**

With limited exceptions, purchases of all equipment are to be delivered to Central Receiving (Service & Supply) where the Receiving Department will notify the property staff of movable equipment that requires an asset tag (University barcode).

### **5.1 Asset Tags/University Barcodes**

Equipment required to be recorded and tracked within AMS is tagged with a unique barcode label issued by the Property Department. Barcode labels with “US” denote federally funded equipment and “UM” denote University or state funded property.

- All movable and sensitive equipment is tagged unless the Property Department determines it is impractical or would otherwise affect its value, function, or warranty.
- Faculty and staff should notify their Departmental Property Custodian (DPC) of equipment delivered without a university barcode.
- Missing or lost barcode labels should be reported to the Property Department immediately.

### **5.2 Computer, Laptop and Tablet Acquisitions**

Like all other types of tagged property, computers, laptops and tablets are tagged with a University Barcode by the Property Department and recorded in AMS however these items are delivered to the IT Department for installation of image/tracking software prior to releasing to end user/department.

### **5.3 Assets approved to be shipped directly to a department**

Equipment approved to be delivered directly to an end user or department, the recipient must notify their Departmental Property Custodian (DPC). DPC's are responsible for notifying property staff ([property.control@umb.edu](mailto:property.control@umb.edu)) to coordinate tagging of the equipment.

## **6.0 Inventory of University Property**

University moveable equipment, including those federally funded, are inventoried every two (2) years in accordance with University and Federal Guidelines. The inventory process is conducted within a revolving 24-month period.

- Inventory
  - A physical inventory where UMB barcode labels are electronically scanned by the Property Department.
  - A departmental Inventory report is validated by Department Dean, Department Head or Director.
  - Updated property passes for equipment located off-campus (PRO-04 Property Pass).
  - Identification of equipment using IT tracking software.

## **7.0 Property Passes**

Property passes are required when moveable equipment is taken off campus for business-related purposes (i.e., whenever it will benefit the teaching, research, public service, or administrative activities of the University). A property pass is valid until the item is returned to campus. Inventory of items taken off campus is confirmed as part of a physical scan, department confirmation or identified by IT tracking software.

### **7.1 Equipment assigned to staff (Laptops, Tablets, Vehicles & Weapons)**

Laptops, tablets, vehicles & weapons are assumed to be always off campus. A property pass is issued at the time the individual takes possession of the equipment.

### **7.2 Equipment assigned to departments (Computers & Non-Sensitive Equipment)**

Computers and non-sensitive equipment are assumed to be always on campus. A property pass is issued to an individual only when it is taken off campus.

## **8.0 Employee Exit Policy**

In accordance with [HR Policy FY08-HRS-001-01](#) (Employee Exit Policy), the Property Department is responsible for informing the terminating employee and their supervisor of any property that is located off-campus and must be returned.

## **9.0 Inventory Control Forms**

- PRO-01 IT Data & Department Removal Form
- PRO-02 Movable Equipment Surplus Form
- PRO-03 Missing/Unaccounted-for Form
- PRO-04 Property Pass
- PRO-06 Internal Transfer Form
- PRO-07 External Transfer Form