

SUBJECT: PROPERTY CONTROL/PURCHASING

PURPOSE: In an effort to control property errors and (or) fraud, LSUA has implemented critical controls throughout the University. Written instructions for these critical controls are issued to individuals responsible for maintaining control in their area of responsibility at New Employee Training.

GENERAL POLICY

LSUA tags all moveable property that has a useful life of one or more years and costs \$1,000 or more. Guidelines of the Louisiana Property Assistance Agency (LPAA) are followed when making the decisions concerning tagged property. LSUA Property Control has written procedures online at <http://www.fas.lsu.edu/purchasing/propmgmt.htm> that are followed when determining the capitalization of property.

I. MOVABLE PROPERTY

"Movable" property is defined as property that is not attached as a permanent part of a building. State law requires all movable property purchased by the State of Louisiana with an "original" acquisition cost of \$1,000 or greater be placed on inventory. All weapons and computers, regardless of cost, must also be placed on inventory.

II. PURCHASE OF PROPERTY

LSUA Department of Procurement Services follows the Rules and Regulations and Executive Orders set forth by the State of Louisiana. These regulations may determine the vendor to be used and/or the price to be paid. The Office of State Purchasing and the LSU System maintain websites listing laws, regulations, policies, and procedures at <http://www.fas.lsu.edu/purchasing> .

Lease transactions follow the same procedures as all other purchases.

Procedures for initiating capital asset transactions clearly identify the individuals authorized to initiate the transaction and have a clear definition of the limits of their authority. Transactions are initiated at the department level by an electronic requisition in the LSU PRO System. The requisition follows an electronic approval path based on the type of purchase, type of funds to be spent, etc. Capital Asset transactions must follow all applicable rules and regulations.

Computer equipment purchases must be approved by the Executive Director of the Department of Information and Educational Technology Services. The final approval for purchase is the issuance of the Purchase Order approved by the Vice Chancellor for Finance and Administrative Services and signed by the Director of Procurement Services.

III. CONTROL OF PROPERTY RECORDS

In order to maintain an accurate recording system for moveable property, additions and changes to existing files are coordinated by the LSUA Department of Procurement Services. The Director of Procurement Services is responsible for property control / inventory. Accounting Services generates a monthly report that consists of all property purchased during a particular month. This report is generated by account numbers and is sent to the Property Control Manager.

The report is reviewed and verified at that time as to whether the item is applicable for being tagged. LSUA does not maintain their movable property listing in Protégé (LPAA Property Program). The LSU system, of which LSUA is a part, received approval from LPAA to maintain its own database. The database requires a property tag number be assigned and recorded in the database for each piece of property that exceeds \$1,000 in value. This database is updated monthly upon receipt of the report from Accounting Services.

Physical safeguards of assets exist in the LSUA procedures. These safeguards include locking, labeling, and tagging of assets. Assets acquired are insured through provisions set forth by the Office of Risk Management.

IV. INVENTORY OF PROPERTY/ANNUAL INVENTORY CERTIFICATION

Beginning in March each year, the Property Control Office conducts an annual inventory (physical count) of moveable property as required by the LPAA and LSU. Each department head, or designee, physically identifies all property within the department and notes differences between records and physical counts/location. Missing items are recorded at that time as "Not Located" and investigation begins as to the whereabouts. The Property Control Manager is responsible for maintaining accurate property database record(s) and directs the annual inventory as well as follow up prescribed by law. Each department head is responsible as custodian to locate each piece of equipment on that department's inventory. Once this is complete, the department head must certify that the property is located in the physical location on the inventory listing, then forward the completed inventory sheets to the Director of Procurement Services who then reports directly to LSU. All property at LSUA is tagged as belonging to LSU.

The inventory sheets contain the inventory/tag number, description/name, make & model number of the equipment, serial number, building location, dollar amount, previous location, and a blank (for where the equipment is now located, if moved).

V. DISPOSAL OF PROPERTY/RELINQUISHING EQUIPMENT

At the time property is outdated, broken, lost or no longer needed and requires disposal, LSUA follows the disposal guideline of LPAA (Title 34). Any disposal requires the approval of LPAA and specific LPAA procedures must be followed.

Disposable of Movable Property: A Property to Transfer to Surplus form is completed by the responsible person indicating the item to be disposed. This form is sent to the LSUA Property Control Manager. The Property Control Manager inspects the item to determine what type of disposal will be required, such as scrap, surplus to LPAA, disassemble for parts, etc. After this determination, forms are completed by the Property Control Manager and entered into the LPAA system for approval of disposal. After approval has been received and the item(s) have been either scrapped, sent to state surplus, etc., the item is then removed from the LSUA Inventory System based on the tag number assigned that item.

Relinquishing Equipment/Transfer Between Departments: The transfer of ownership of equipment from one LSUA department to another LSUA department is accomplished by the transferring department completing a transfer form and sending it to the Director of Procurement Services requesting action for the equipment. This form must be signed by the requesting department head and by the receiving department, once the equipment is received, and then forwarded to the Property Control Manager. The Property Control Manager will complete the necessary paperwork to transfer the item.

VI. DAMAGED/REPAIRS/ITEMS LEAVING CAMPUS

Any movable property that must leave campus for repair or will be taken off campus temporarily by an employee must have a completed Request for Temporary Removal of State Property form on file with the Department Head. A copy of this form must also be forwarded to the Department of Procurement Services.

When a department receives a new piece of equipment they are required to review the operation and service manual(s) so that proper operation and maintenance will be performed on the equipment. Employees are expected to use diligence and proper precautions with all equipment to prevent/avoid loss or damage as well as insure the longest possible service life.

If an item incurs damage or needs repair, the employee/department should first check for

warranties/service contracts. The employee/department should notify the Property Control Manager if the equipment has to leave campus to be repaired. If the item is repairable but is not under warranty or covered by a service contract a requisition should be processed through the Department of Procurement Services.

VII. LOST/STOLEN ITEMS

Lost or theft must always be reported as soon as discovered to the University Police. University Police will investigate to make a determination as to lost/misplaced or stolen status. University Police will notify Human Resource Management of any stolen items. It is the responsibility of the department to obtain and forward a copy of the incident report to the Department of Procurement Services. State law requires that lost or stolen items remain on inventory for three years if University Police determine that there was no forced entry. If there was forced entry and the department wishes to remove the stolen item from inventory, a request to remove the item must accompany the incident report sent to the Department of Procurement Services.

VIII. REFERENCE: RECORDS RETENTION POLICY

Records Retention Policy describes other documentation required by the departments for equipment not covered and covered (above).

Equipment Information: This record series contains repair reports, purchasing information, manuals, may include maintenance contracts, maintenance agreements, and so forth, for a specific piece of equipment. The office of record is the department owning the equipment.

Record Copy Retention: Life of Equipment +3 years

Duplicate Copy Retention: Life of Equipment +1 year

Record Copy Disposition: Recycling or Deleting, as appropriate

Duplicate Copy Disposition: Recycling or Deleting, as appropriate

Record Control Number: 00057

Inventories/Major Equipment: This record series contains property inventories of major equipment owned by the University. The office of record is Procurement Services.

Record Copy Retention: Current Fiscal Year +3 years

Duplicate Copy Retention: Current Fiscal Year +1 year

Record Copy Disposition: Archives and Special Collections

Duplicate Copy Disposition: Wiping, Deleting, or Shredding, as appropriate

Record Control Number: 00058

Inventories/Minor Equipment and Supplies: This record series contains inventories of minor equipment and supplies owned by the University. The office of record is the

department holding the inventory. (Note: since other campus departments may maintain this record series, instead of deleting it, we have simply removed Procurement Services as the office of record).

Record Copy Retention: Current Fiscal Year +3 years

Duplicate Copy Retention: Current Fiscal Year +1 year

Record Copy Disposition: Recycling or Deleting, as appropriate

Duplicate Copy Disposition: Recycling or Deleting, as appropriate

Record Control Number: 00059

APPROVED:

Larry Williams
Larry Williams, Director of Procurement Services
and Property Management

07/31/09
Date

David Wesse
Vice Chancellor, Finance and Admin Services

07/31/09
Date

David P. Manuel
David P. Manuel, Chancellor

08/04/09
Date