PURPOSE

To provide procedures and guidance to ensure University property is properly recorded, maintained and safeguarded, and that appropriate tracking and disposal methods are followed in accordance with ICSUAM Policy 3150.01.

SCOPE

These procedures apply to all tangible, non-consumable equipment meeting all the following criteria:

- An estimated useful life of greater than one year
- Is not permanently attached to or incorporated on University building or grounds
- Is used to conduct University business.

DEFINITIONS

Capitalized Equipment

Equipment with an acquisition cost of $5,000 or greater (including all costs incurred to acquire and to ready the asset for its intended use such as purchase price, applicable tax, freight, etc.)

Non-Capitalized Equipment

Generally, "Non-Capitalized Equipment" is equipment that does not meet the criteria to be capitalized and not considered sensitive as defined below. The University has chosen to not to establish a dollar threshold for tracking of non-capitalized equipment. However, to meet CSU minimum requirements, the following items will be required to be tracked, tagged and inventoried as non-capitalized equipment:

- Firearms and tasers
- Vehicles

Sensitive Equipment

Sensitive equipment is equipment that controls, or has the capability to control, physical or informational assets considered high risk. Acquisition cost is not a consideration when defining equipment as sensitive.

Below is a list of equipment that the University considers to be sensitive:

- IT equipment that runs an operating system and has memory (i.e. handheld devices, tablets, phones, and personal computers)
- Safe deposit boxes
Federally Funded Equipment

Equipment purchases of $5,000 or greater by the University with federal funds, where ownership has not been transferred to the University.

Modular Furniture

Modular furniture is considered furniture that can be assembled and re-assembled in various configurations. If the new modular furniture is related and part of a new capital project, it is capitalized. The Property Program Coordinator will provide, on the following month the modular furniture is purchased, the capital project number and supporting documentation to the Senior Accountant to capitalize during the year-end capital assets analysis. If the modular furniture purchases are part of a maintenance and repairs projects, it is not capitalized.

The following is a summary of the University’s tracking, tagging and inventory requirements:

<table>
<thead>
<tr>
<th>Equipment Type</th>
<th>Tracked and Tagged</th>
<th>Annual Department Physical Inventory</th>
<th>Independent Physical Inventory Every 3 Years</th>
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<tbody>
<tr>
<td>Capitalized Equipment</td>
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<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Non-Capitalized Equipment</td>
<td>No</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Firearms and Tasers, Vehicles</td>
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<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Sensitive Equipment</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Federally Funded Equipment</td>
<td>Yes</td>
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<td>No</td>
</tr>
<tr>
<td>Modular Furniture</td>
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</tr>
<tr>
<td>All Other Equipment</td>
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<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

RESPONSIBILITIES

Chief Financial Officer

The Chief Financial Officer’s (CFO) responsibilities are to ensure the following:

- Appropriate resources are allocated and responsibility assigned for proper receipting, recording, securing, tracking, and disposal of property.
- Procedures are implemented for:
  - Timely recording of all property transactions based on normal entry cycles
  - Timely disposal of all property
  - Appropriate approval for the disposal of property and that all rules and regulations are followed in the disposal of property
The identification, recording and tracking of intangible assets
- The evaluation, acceptance, and recording of gifts of property
- All regulation for property funded by federal and state grants are adhered to.

**Vice-Presidents**

Each division vice president has the primary responsibility for the safeguarding of all property assigned to their respective division, and the responsibility to oversee and adhere to these procedures. Division vice presidents may delegate these duties to Property Managers and Property Custodians.

**Property Program Coordinator**

The Property Program Coordinator’s responsibilities are to:

- Administer the recording, tracking, and disposal of University property
- Serve as a resource to the campus community for all property matters
- Perform independent 100% physical inventory of University property on a three-year cycle

**Property Manager**

The Property Manager’s responsibilities are to:

- Oversee the department property program and the respective Property Custodian
- Review and/or approve documentation of property transactions
- Submit monthly vehicle reports

**Property Custodian**

The Property Custodian’s responsibilities are to:

- Ensure the proper use, maintenance, and safeguarding of all property held by their department
- Maintain current, complete, and accurate property records and track the assignment of property within the department, including the use of the Property Loan Agreement and the Portable Computing Device Use Permit
- Inform the Property Program Coordinator of all transactions involving property
- Implement loss prevention measures to ensure equipment is safeguarded
- Ensure that any lost or stolen property is reported to the proper authorities immediately, e.g. Police department, Information Security Officer
- Ensure equipment is in good working condition and maintenance needs are met
- Ensure all off-site equipment purchases are communicated to the Property Program Coordinator and that tags are attached to the equipment
• Ensure the ‘Equipment Loan Agreement’ is filled out and approved
• Complete the annual department physical inventory process

**Property Survey Board**

The Property Survey Board’s responsibilities are to:

• Determine that the best interest of the University is served in releasing University property
• Approve the release of University property
• Notify the CFO of any improprieties and/or negligence due to unauthorized use of property

**Police Department**

Firearms and tasers are considered non-capitalized equipment required to be tracked and tagged. The tags are assigned by the Property Program Coordinator and forwarded to the Police Department. Due to the nature and sensitive aspects of firearms and tasers, the Police Department is responsible for the following:

• Maintain a list of all firearms and tasers with the assigned tag numbers
• Communicate results and any discrepancies in the annual department physical inventory to the Property Program Coordinator
• Monitor and process all transfers and trade-ins as required by the Property Management policy and notify the Property Program Coordinator prior to the transfer and/or trade-in
• The Chief of Police is assigned the responsibility to perform the 100% physical inventory on a three-year cycle as scheduled by the Property Program Coordinator

**Sponsored Programs**

The Sponsored Programs unit is responsible for identifying and tracking equipment purchases paid by the University on behalf of federal or state grant funds where title has not passed to the University. These purchases will be communicated to the Property Program Coordinator so a tag can be applied and inventory requirements can be met in accordance with ICSUAM 11005.00.

If it is stipulated by the end of the federal or state grant to transfer the ownership of the equipment to the University, and only for items with a fair market value of $5,000 or greater, the Sponsored Programs unit is responsible for providing the following information to the Property Program Coordinator:

• Transfer or ownership to the University – Title in the name of the University
• Fair market valuation
All Employees

Each member of the campus community has a general obligation to safeguard and make appropriate use of University property including:

- Exercising reasonable care to prevent damage and maintain in good condition
- Taking reasonable security precautions to avoid loss, theft, or misuse of property
- Immediately reporting lost, stolen, damaged, or otherwise impaired property to the Property Custodian. If University property is stolen from an employee off campus, immediately file a police report with the local law enforcement of the area where the property was stolen.
- Minimizing the use of University property for personal purposes

PROCEDURES

1. Acquisition of Property
   A. Purchase
      Property can be purchased by those authorized to disburse University funds. Costs include the purchase price plus all costs to acquire, install, and prepare the property for its intended use.

   B. Donation/Gift In-Kind
      Donations of property received by the University must adhere to the Gifts to the University policy and a Gift In-Kind Acceptance form must be completed and approved. Any approved donation received by the University is to be analyzed to determine if the item is to be added to the property and accounting records.

   C. Transfers of Property from Related Entities
      Property can be accepted from the Chancellor’s office, other CSU campuses, and University Auxiliary Organizations. The Property Program Coordinator should be notified by the receiving department when property is acquired from related entities to determine if the item is to be added to the property and accounting records.

   D. Internally Generated Property
      The University may also place into service property that has been designed, constructed, fabricated, or otherwise created by University personnel. Project managers, in conjunction with budget staff should notify the property department during the initial planning stages of the project to determine if the planned project should be tracked for addition to the property and accounting records.
E. Delivery

1. Receiving
   Receiving is the initial point of control for property acquisitions. When feasible, all property should be delivered to receiving for documenting and tagging before delivery to the accepting department.

2. Direct to Department/Pick-Up by Department
   When it is not feasible for property to be delivered to receiving, property may be delivered directly to a department or when applicable, to an off-site location. The Property Custodian shall provide the Property Program Coordinator with a copy of the original purchase document and any additional information such as serial, model numbers, and location for the property. The Property Custodian shall obtain property tag(s) from the Property Program Coordinator and is responsible for applying the property tag(s).

F. Identification of University Property
   Capitalized, non-capitalized, and sensitive equipment along with works of art and software, that meet the tagging criteria above are to receive a unique identification number within the property inventory records and a property tag with a unique identification number. A tag bearing the identification number shall be affixed so it is in plain sight and easy to read, e.g. on the top left corner or other conspicuous position. Additional identification required by a department shall be applied in a manner that avoids confusion with the campus identification number. Should the identification number be accidentally or mistakenly obliterated, defaced or removed, the property should be retagged with the same tag identification number or marked with the property tag number by other means. Assigned tag identification numbers are recorded on all applicable receiving, shipping, and disposal documents, and other records that are related to the property control system. Once a tag identification number has been assigned to a property item it will remain unchanged during the life cycle of the item.

   All other types of property will receive a unique asset identification number within the property inventory records that will remain unchanged during the life cycle of the property.

G. Off-Site Inventory
   University equipment purchased for off-site locations is marked with an off-site location code in the Asset Management system. When equipment is purchased for an off-site location, it is the responsibility of the respective Property Custodian to notify the Property Program Coordinator with all supporting documentation within one day of the purchase. The Property Custodian shall obtain the property tag(s) and attach to the equipment as soon as the tags are received. Since the
equipment is off-site, it is the responsibility of the Property Custodian to have the approved and signed ‘Equipment Loan Agreement’ for all equipment at an off-site location.

2. Inventory
   A. Property Inventory Records
      The Property Program Coordinator shall maintain a property inventory records for all University property. Information entered into the property inventory records upon acquisition shall include description, serial number, acquisition and placement date, Profile ID, financial chartfield, custodian department, location, and when applicable, tag number. All tagged property will be assigned to a custodian department. All other property will be assigned to a University wide property department.

   B. Physical Inventory
      1. Annual Departmental Inventory
         The respective Property Custodians shall perform a physical verification of all property and reconcile the results with the Property Program Coordinator’s records annually. The Property Program Coordinator shall furnish the inventory listing and inventory instructions to each Property Custodian at the scheduled time of inventory each year. Once every three years, the Property Program Coordinator will independently verify 100% of the equipment for each department.

      2. Results of Inventories
         The Property Custodian shall submit to the Property Program Coordinator a property listing that identifies the results of the annual physical inventory. The listing shall be signed and dated by the Property Custodian and reviewed and signed by the Property Manager. All discrepancies between the physical inventory results and the official property records require additional follow-up. Property not located after appropriate follow-up action will be considered lost and will require a Property Loss Report form. The Property Loss Report will be submitted to the University Property Survey Board for its authorization to be removed from the department’s inventory. Inventories should be completed and sent to the Property Program Coordinator within three weeks of receipt, unless prior special arrangements have been made.

   C. Unsatisfactory Physical Inventory Results
      On an annual basis, a listing of departments that do not submit satisfactory physical inventories to the Property Program Coordinator will be compiled and communicated to the applicable vice president. Those departments not in compliance with the Portable Computing Device Use
Permit requirements will also be included in this communication. Each division vice president has the primary responsibility for the safeguarding of property assigned to their respective division, and the responsibility to oversee and adhere to these policies and procedures.

3. **Personally Owned Property**

If a University employee keeps personally owned equipment on campus, it shall be reported to his/her department and identified as the property of the owner. The University is not responsible for loss or damage to any equipment personally owned by an employee.

4. **Internal Transfers, Relocation, Loans of Property, and Portable Computing Device Use Permits**

To ensure that the University property inventory records are current, it is the responsibility of the Property Custodian to notify the Property Program Coordinator of all relocations of equipment items as follows:

A. **Relocation Within a Department**
   When the change is only the physical location of equipment within a department, the Property Custodian shall update their own property records to reflect the new location and communicate the new location to the Property Program Coordinator.

B. **Relocation of Entire Department**
   If a department relocates, the Property Custodian shall conduct a complete physical inventory of equipment and report updated information to the Property Program Coordinator.

C. **Inter-Departmental Transfers**
   When equipment is transferred between departments, the Property Custodian from the transferor department shall complete the “Inter-Departmental Property Transfer Notification” form and send via email to the Property Program Coordinator with a courtesy copy to the transferee’s Property Custodian and both departments Property Managers. A brief description of the item, the University tag number and the new location shall be furnished on this form. The Property Program Coordinator will then update campus inventory records to reflect the transfer.
   Equipment purchased by departments that participate in the IT purchase program shall be identified as belonging on the Information Technology (IT) inventory regardless of the department using the equipment or the location of the equipment. The Property Program Coordinator does not need to be notified for the transfer and movement of IT purchase program computer equipment between the IT department and the specific department. If computer equipment is transferred from a department’s inventory to the IT purchase program, IT shall
notify the Property Program Coordinator so the computer equipment can be transferred to the IT inventory. In addition to a University property tag, computer equipment belonging in the IT purchase program will be identified with a blue sticker which says “Sonoma State University IT purchase program”.

D. Loans of Equipment

1. Loans of University Equipment from One Department to Another
   University property may be used in pursuit of University business in areas other than the custodian department. Therefore, to ensure accountability of the property at all times, it is vital that the item be checked out when being used outside of the department. The borrower’s department will be held responsible and liable for borrowed property’s safekeeping during the period of time the item is checked out. Each loan of property should be adequately documented to show what department is borrowing the property and when the equipment is expected to be returned.

2. Loans of University Property to External Organizations, Employees, or Others
   Any loan of University property to an external organization or to an individual, including employees (e.g. for use off-campus), shall have prior approval of the appropriate department Property Manager and Property Custodian. All loaned property (other than Portable Computing Devices), shall be listed on the Property Loan Agreement form and be kept by the Property Custodian. When the property is returned, the lending department Property Custodian shall check the property in. University property can be loaned to an employee exclusively for University business and only after the Property Loan Agreement has been completed. Do not use this form for Portable Computing Devices.

3. Inter-Campus Loans of Property
   Inter-campus loans are loans between California State campuses. Inter-campus loans of property require prior approval of the appropriate Property Custodian and appropriate Property Manager. Inter-campus loans shall be documented on the Property Loan Agreement form.

4. Portable Computing Device (PCD)
   A Portable Computing Device Permit is required to be completed for each University owned laptop, notebook, netbook, tablet, smartphone or any other computing devices designed to be portable. Upon or before receipt of a PCD, each individual must complete the Portable Computing Device Permit form and file the form with the appropriate departmental Property Custodian. During the Property Program Coordinator triennial physical verification, all Portable Computing Device Permit forms will be reviewed. It is the responsibility of each department’s Property Custodian to retain and keep current the Portable Computing Device Use Permit forms for all PCD’s listed on the department’s inventory. PCD’s under the
temporarly custody of the IT department do not require a Portable Computing Device Use Permit so long as the PCD is stored in a secure location (e.g. locked storage room).

5. Property Disposition
   A. General
      Before disposition of inventoried usable surplus items, the Property Program Coordinator shall ensure that all applicable University departments are notified of and have adequate time to take advantage of property determined by other departments to be surplus. Surplus property deemed unusable by other departments will go through the survey process as outlined below.

   B. Survey
      In order to remove or dispose property items from property inventory records, a process known as a “Survey” shall be completed. The following procedures shall be taken:
      1. The Property Custodian shall initiate the survey process by completing the Property Survey Request form. This shall be submitted to the Property Program Coordinator via an email attachment with a courtesy copy to the appropriate Property Manager. The reason for disposal, condition of property, location of property and a complete description of the item, including the property tag number shall be provided.
      2. If the property ready for disposition cannot be used by another department, the Property Program Coordinator shall prepare a Property Survey Report and then forward the completed Property Survey Report to the University’s Property Survey Board for review and approval.
      3. Upon approval, the Property Program Coordinator shall arrange for the disposition of the property, which may include selling, donating, or trade-in.
      4. Property that is obsolete, broken, in poor working condition; was not sold; or was not transferred to an institution, agency, or non-profit corporation shall be placed with the appropriate recycling or waste removal provider.

   C. Lost, Missing, Stolen, or Destroyed Property
      A Property Loss Report shall be completed and sent to the Property Program Coordinator for any lost, stolen, or otherwise missing property. The Property Loss Report form will serve as a survey request from the department, and the Property Program Coordinator will generate a survey report. The Property Loss Report form shall be attached to the survey documents and forwarded to the Property Survey Board for approval. The Property Loss Report form shall also be completed to report property not located during the department’s annual inventory process in order to keep the property inventory records current. When University property has been lost or stolen, the individual or department accountable for the equipment should immediately notify the appropriate Police Department and the Property Program Coordinator. Employees may be
charged for any loss of or damage to University property that is attributable to negligence or unauthorized use.

D. Trade-in of Property
Property Custodians shall prepare and submit a written survey request to the Property Program Coordinator whenever property is being traded-in. Upon survey approval, the appropriate person shall then submit an e-requisition request to the purchasing department. This request shall include a complete description of the trade-in property including property number and monetary value or other consideration to be received. Trade-in of property shall be for consideration based on fair market value. After the property has been traded in, the Property Custodian shall notify the Property Program Coordinator with a receipt signed by the company receiving the property, itemized by property tag number, invoice, or other supporting documentation.

E. Transfers to Other Entities
After a survey report has been completed, property may be transferred to other state entities. The completed transfer report will be filed by the Property Program Coordinator. The recipient organization shall submit a letter on its letterhead to the University listing the surveyed items, by property number, that they have accepted. The recipient’s letter will be attached to the survey documents as evidence of disposition for the surveyed items. The acquisition value and accumulated depreciation shall be provided to receiving agency for their records.

F. Sale of Property
Departments must notify the Property Program Coordinator that they wish to sell surplus property. Any property to be sold must first be approved by the Property Survey Board through the property survey process. Property must be sold for fair market value through the sealed bid method. Departments may advertise the surplus property by running a newspaper ad for no less than three days. The department must make a diligent effort to secure at least three competitive bids. If the department cannot obtain three competitive bids, the department who solicited the bids must prepare and sign a list of the firms or individuals contacted. In addition, property can also be sold through Public Surplus, a company contracted to perform on-line public auctions services for the University. An advertisement can also be published in sites such as Craigslist or a newspaper to advise the public of an auction. This advertisement can only provide the announcement of an auction to the public and to contact Public Surplus for details and process (a link to the Public Surplus site can be provided in this announcement advertisement). The public can then directly access all the bidding information from the Public Surplus site.
The purchase of new or used vehicles shall include a survey of other CSU campuses to determine if a vehicle with similar utility is available for transfer. Information for a sale of a vehicle with a current value of more than $10,000 is required to be added into the Public Surplus database. Adding information to Public Surplus on a sale of a vehicle for a lesser value is up to the discretion of the custodian manager and vice-president of the department that owns the vehicle. The vehicles entered into Public Surplus are “for CSU eyes only” and not for the public. The CSU campus that purchases the vehicle is responsible for all paper work related to the transfer of the vehicle’s title to their campus. Departments may request that proceeds from the sale of any of their surplus property be returned to the department. All sale proceeds will be deposited with the University cashier’s office. Sales of surplus property cannot be made to University employees.

G. Disposing of Capital Property Acquired by Donation
For every gift-in-kind valued in excess of $5,000 that is sold or otherwise disposed of within three years of the University receiving it, the donor should be consulted and IRS form 8282 - Donee Information Return must be filed with the IRS by Financial Services in consultation with University Development and a copy sent to the original donor and the successor donee within 15 days of disposition.

H. Donation of University Property
The Property Program Coordinator may facilitate the donation of University property to any educational institutions, public agencies, or non-profit organization qualified to receive a donation. All property to be donated must be approved for disposal by the Property Survey Board prior to donation. The recipient organization shall submit a letter on its letterhead to the University listing the surveyed items, by property number, that they have accepted. The recipient’s letter will be attached to the survey documents as evidence of disposition for the surveyed items. All donations of University property must be processed through the Property Program Coordinator.

I. Property to be Salvaged for Parts
A Property Survey Report shall be prepared whenever it is proposed to dispose of University owned property by salvaging the property for parts.

J. Surplus Computer Property
When a used computer becomes available, it may be placed within the department, school, or division at the appropriate Vice-President’s discretion. If the computer will not be utilized within the division, the Property Custodian should follow regular survey procedures by
contacting the Property Program Coordinator who will evaluate the computer to determine if it is obsolete and ineligible for IT support based on criteria established by and available through the Information Technology Help Desk. If the computer is eligible for support, the computer will be made available to the campus by the Property Program Coordinator. If the computer does not meet the criteria established by IT, and is therefore ineligible for support, the computer will be surveyed and disposed. IT is authorized to charge a fee sufficient to cover the costs associated with transferring a surplus computer between departments, schools, and divisions.

**POLICY/PROCEDURE OWNER AND CONTACT INFORMATION**

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<thead>
<tr>
<th>Unit Owner</th>
<th>Contact Name</th>
<th>Title</th>
<th>Phone</th>
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<tbody>
<tr>
<td>Financial Services</td>
<td>David Crozier</td>
<td>Sr. Director, Financial Services</td>
<td>(707) 664-3442</td>
<td><a href="mailto:david.crozier@sonoma.edu">david.crozier@sonoma.edu</a></td>
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**APPROVAL AND REVISION HISTORY**

<table>
<thead>
<tr>
<th>Policy Owner Approval</th>
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<th>Version</th>
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<td>David Crozier</td>
<td>Senior Director, Financial Services</td>
<td>3/7/2016</td>
<td>Upon approval</td>
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<td>David Crozier</td>
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<td>3/7/2016</td>
<td>Upon approval</td>
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<td>Updated version to reflect processes implemented in 2015 and compliance with ICSUAM updated policy dated 6/16/15.</td>
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