

## **Section 8 - Property**

### ***I. Overview***

The role of the Property Accountant is to establish procedures that help ensure accountability for and safeguard of University assets, ensure compliance with applicable laws, rules and internal procedures, coordinate the annual inventory, account for acquisition, transfer and disposition of tagged assets, depreciate tangible property over the estimated useful life and maintain property records in the Banner Fixed Asset Sub-System. An annual inventory of all University tangible property over \$1000 is required and is coordinated by the Property Accountant. Property Managers assigned in each area shall be responsible for the annual inventory of property in his or her custody and for assisting the Property Accountant in the reconciliation of unlocated property during the annual inventory process. The Property Accountant is responsible for coordinating the assignment of property identification tags, and for the recording and reporting of acquisition costs for property which includes such items as: buildings, equipment, books, software, other fixed assets, building renovations and improvements, and construction in progress.

### ***II. Introduction***

The purpose of this section is to provide procedures for the recording, reconciling, identifying, accounting, and disposing of University property. In accordance with Section 1013.28(2), Florida Statutes, and Chapter 273, Florida Statutes, the Florida Gulf Coast University Board of Trustees approved Surplus Property Procedures – Tangible Personal Property to establish the determination criteria for when a University owned item is deemed to be sold, transferred, exchanged or disposed as surplus property. These procedures are designed to establish and ensure the accountability and safeguarding of University Assets in observance of these laws and rules and policies.

The Custodian of all property owned by the University is the Vice President for Administrative Services or designee. The Property Accountant is the individual designated by Finance & Accounting who has been assigned the responsibility for authorizing the transfer or disposal of University property. The Property Accountant is responsible for identifying the Property Managers who have been delegated the responsibility to manage the assignment, accountability, transfer and disposal of University owned property. In addition, the Property Manager is responsible for the identification of University property and the maintenance of the department's property records. The Property Manager in each area is assigned the responsibility for the annual inventory of property in their department. The role of the Property Surplus Board is to examine and make recommendations on approval or disapproval of dispositions of tangible personal property.

### ***III. Basic Property Terminology***

#### ***A. Property***

As defined in Section 273.02, Florida Statutes, "property" means equipment, fixtures, and other tangible personal property of a non-consumable and non-expendable nature, the value or cost of which is \$1000 or more and the normal expected life of which is one year or more, and hardback covered bound books that are circulated to students or the general public, the value or cost of which is \$25 or more, and, hardback covered bound books, the value or cost of which is \$250 or more. Florida Statutes specifically exempts the Library from marking and tagging hardback covered bound covered books. The catalog and inventory records maintained by the Library constitute the property record of hardback covered bound books.

All costs involved with the acquisition and installation of property, including freight, set-up charges, etc., should be included in the acquisition value. All property acquired by or for the University through purchase, fabrication, donation, transfer or loan should be recorded on the University property records and inventoried annually. Tangible personal property should be purchased from the account code series 75xx. Only construction of buildings (CIP) should use account series 76xx. Detailed information regarding the chart of accounts can be found at Marlin/Accounting/Banner Fixed Assets <G:\Accounting\Banner Fixed Asset Account Codes.xls>. The Purchase Order must reference the correct account code in order for the correct asset profile to be attached to the item. If an error is found, the Property Accountant should be contacted to make the necessary corrections in Banner. For questions concerning the classification of a particular item being acquired, the Property Accountant should be contacted.

## **B. Property Identification Tag**

The Property identification tag is used to document the location, description and other required information for property items. As property is procured, the Property Accountant assigns a property identification tag number to each property item. All items of property, for which it is practical, will be physically tagged with a property identification tag. The Property Identification Tag Log is updated with each property addition and records the tag number assigned, description of the item, Purchase Order number, and vendor. Property identification tags are attached to the appropriate Purchase Order and forwarded to Receiving for tagging.

## **C. Property Transfer/Relocation Form**

A Property Transfer Form must be completed when University property is permanently moved to a new location. This form is available on the Finance & Accounting home page <http://admin.fgcu.edu:2000/fin&acctg>

## **D. Property Check-Out Form**

A Property Check-Out Form must be completed when University property is to be removed, even on a temporary basis, from its recorded location for use off campus. This form is available on the Finance & Accounting home page <http://admin.fgcu.edu:2000/fin&acctg>

## **E. Property Verification Form**

A Property Verification Form must be completed during the annual inventory as the required inventory procedure for University property items unable to be physically tagged. This form is available on the Finance & Accounting home page <http://admin.fgcu.edu:2000/fin&acctg>

## **F. Relief from Property Accountability**

A Relief from Property Accountability Form must be completed to request a release from accountability for a University property item. This form is available on the Finance & Accounting home page <http://admin.fgcu.edu:2000/fin&acctg>

# ***IV. Property Responsibilities and Duties***

## **A. General Responsibility**

The Vice President for Administrative Services has the delegated responsibility for all University property. The administrative head of the department to which University property is assigned has general responsibility for the control and custodial accountability of those items. Accountability may be delegated to another person (Property Manager), but the Accountable Officer in the department remains responsible. Each Property

Manager shall maintain an adequate record of property in his or her custody, and shall ensure that a complete physical inventory of all property is taken annually. Personal equipment and books brought to the campus by staff members should be appropriately marked and identified to avoid a misunderstanding of ownership.

## **B. Duties**

The Property Manager has responsibility for all property assigned to the respective department. The Property Manager's responsibilities include:

1. Ensuring University property is physically protected from loss or damage.
2. Notifying the Property Accountant when there is a change in the property location.
3. Notifying the Property Accountant when there is a change in the Property Manager.
4. Submitting completed forms to the Property Accountant for all property transfers, relocations, or removal of property from its recorded location and the recording of this information in any departmental records.
5. Submitting completed forms to the Property Accountant for all property determined to be lost, stolen, damaged or destroyed.
6. Submitting completed forms to the Property Accountant for all requests to have property sold, scrapped, cannibalized or otherwise disposed of.
7. Conducting the annual property inventory.
8. Verification of the department's inventory listing provided by the Property Accountant.
9. Contacting the Property Accountant and Campus Police as soon as property may have been stolen.

The Property Accountant has the responsibility to establish procedures that help ensure accountability for and safeguard of University property. The Property Accountant's responsibilities include:

1. Overseeing and records the assignment, accountability and disposal of University property.
2. Maintaining the property records in Banner for all University property.
3. Scheduling the annual physical property inventory.
4. Reconciling acquisitions with expenditures for accountable property in the Banner fixed asset master file.
5. Recording the disposition of property in University property records.
6. Overseeing the depreciation of University property records.
7. Recording Construction in Progress and the capitalization of buildings.

## **V. *Property Acquisition***

### **A. Purchased Property**

Purchase of property should be made in accordance with University procedures. A Requisition to Purchase should be forwarded to Procurement Services following the guidelines in Section 4 – Procurement Services - Purchasing. Freight, installation and other charges incurred in securing and placing the item in use should be included in the acquisition cost. When purchasing an item that will add value to an existing property item, the existing property identification tag number should be included on the Requisition to Purchase.

The Property Accountant should receive a copy of all Purchase Orders from Procurement for review to verify proper use of account codes. If an item is identified as tangible personal property, the Property Accountant will assign property identification tags, attach to the Purchase Order and forward to Receiving for tagging. Receiving sends the Purchase Orders, with packing slips attached, back to the Property Accountant when the item has been received and tagged. The Property Accountant checks the daily Banner report, FFPOEXT, which lists property items paid for by Accounts Payable. After the item

has been both received and paid for, the Property Accountant enters the item into Banner FFAMAST, the fixed asset master file and forwards the packing slips to Accounts Payable.

## **B. Donated Property**

Property may be donated to the University without expenditure of funds other than shipping costs. Donated items must be processed through one of the University's direct support organizations. The direct support organization will determine if the acquisition is in the best interest of the University and ensure the transaction is handled in accordance with applicable State and Federal regulations, especially for property benefiting a contract or grant organization. The direct support organization should report the donated property to the Property Accountant for recording into Banner's fixed asset master file. The information accompanying the donation must identify the donor, describe the item, the date of acquisition and include an invoice or estimate of the item's fair market value.

## **C. Exchange/Trade-In**

Property acquired through an exchange/trade-in is subject to normal procedures for processing newly purchased property. In addition, a disposition form for the item to be exchanged/traded-in must be completed through the usual disposition process.

# **VI. *Property Tagging***

## **A. Property Tagging Responsibility**

Central Receiving is responsible for the tagging of all property acquisitions. The Property Accountant is responsible for monitoring that all tangible property is properly tagged, reporting any deficiencies in this procedure. The Property Accountant tags property items that have been delivered directly to the requisitioning department, as with heavy or large items.

## **B. Property Identification Tags**

All property items will be assigned a property identification tag number. All items of property, for which it is practical, will be physically tagged with a unique property identification tag number that also identifies Florida Gulf Coast University as the property owner. The property tags should be uniformly located on similar items. As property identification tag numbers are assigned by the Property Accountant, the Property Tag Log is updated with the tag number assigned, description of the item, Purchase Order number, and vendor.

Items that, due to their nature, are unable to be physically tagged will have their tags placed in the Untaggable Property file. The Property Accountant maintains this file that contains both the Purchase Order and assigned property identification tag for the item. These items are verified with a Property Verification Form by the department of ownership during the annual inventory.

# **VII. *Property Transfer, Relocation and Check-Out***

When there is to be a location change for a property item, the transferring department should complete a Property Transfer/Relocation Form. The department that has accountability for the property item is responsible to complete and submit the proper forms and will be held accountable if the property cannot be located.

## **A. Property Transfer/Relocation**

A Property Transfer/Relocation Form is to be completed when property is permanently transferred between University departments or is permanently moved to a new location, as with departmental moves. This form is to be initiated by the transferring/moving department and is to be signed by the transferring/moving department's Property Manager. This form is also to be signed by the receiving department's Property Manager when property is transferred to a new department. When the Transfer Form has been signed by both parties and submitted to the Property Accountant, the Property Accountant will enter the transfer into Banner FFATRAN, the Fixed Asset Transfer Form.

Any time a department moves to a new location, the department is responsible for taking all property assigned to it to the new location. Accountability for property items will remain with the department until a Property Transfer/Relocation Form or a request for Relief from Property Accountability form is completed and submitted to the Property Accountant. Accountability for property items on a submitted Relief from Property Accountability Form will remain with the department until the Property Survey Board has approved the request. The Property Transfer Form and Property Check-Out Form are available on the Finance and Accounting home page <http://admin.fgcu.edu:2000/fin&acctg>.

## **B. Property Check-Out**

Property may be removed from the University owned or leased buildings only if it is required by a contract or grant, or if the use of the property off its campus location will further the goals of the University. The appropriate form must be completed if University property is to be removed, even on a temporary basis, from its recorded location for use off campus. When University property is removed from campus, a Property Check-Out Form should be completed and signed by the department's Accountable Officer. Property Check-Out Forms are required to be completed and submitted to the Property Accountant prior to when the property is taken off campus. These items will require a Property Check-Out Form be completed annually and be included in the department's annual inventory file. These items must be inventoried during the annual physical inventory of University property. The Property Check-Out Form is available on the Finance and Accounting home page <http://admin.fgcu.edu:2000/fin&acctg>.

## ***VIII. Returns***

### **A. Repair**

Property returned for repair should be sent back through Central Receiving and should be noted on the Department's internal log.

### **B. Credit/Replacement**

Returns for credit or replacement should be sent back through Central Receiving and a Relief from Property Accountability Form should be completed for the item returned. The form should be submitted to the Property Accountant. The replacement item must be property tagged and the new serial number (if applicable) recorded.

## ***IX. Property Disposition and Accountability Release***

Accountability of University property is assigned to the Property Manager of the department to which the property is assigned. The removal of property from University control may occur such as missing (unaccounted for during annual inventory), theft, maliciously or accidentally destroyed, traded-in, cannibalized, transferred to another department, donated to specified non-profit organization, scrapped, abandoned or sold at public surplus auction.

## A. Disposition Request

A Relief from Property Accountability Form should be completed to request the release from accountability for a property item. The completed form should be forwarded to the Property Accountant. The Relief from Property Accountability Form is available on the Finance and Accounting home page <http://admin.fgcu.edu:2000/fin&acctg>

## B. Relief from Property Accountability Form

When a Relief from Property Accountability Form is received by the Property Accountant, the request should be reviewed and appropriate action taken based on the reason for the relief request. The request will then be forwarded and reviewed by the Property Survey Board. Upon approval of the Property Survey Board, a copy of the Relief from Property Accountability Form should be sent to the department requesting the relief and to Receiving. The Property Survey Board and its procedures are defined in Chapter 273, F.S. Furthermore, the Florida Gulf Coast University Board of Trustees sets forth the University's surplus property policies and procedures in Rule 6C10-7.002 Surplus Property [Surplus Property](#)

## C. Reasons for Property Disposition

When property becomes obsolete, uneconomical, and inefficient or no longer serves a useful function, the department may request the property be classified as surplus. Only property that is in working condition or which has parts that are valuable and may be readily used or sold should be classified as surplus. The Property Accountant should contact Physical Plant to pick up the item to be classified as surplus so that it can be stored in the warehouse until sold through open bid public sale. Property that may contain or has been exposed to hazardous material should be cleared through the Department of Environmental Health and Safety prior to requesting classification of disposition.

Property which is unsafe for further use, or that has no value should not be classified as surplus, but should be classified as follows:

1. Property is stolen, lost or damaged  
When property is stolen, lost or destroyed, the Property Accountant and Campus Police should be notified immediately. The Property Manager should complete a Relief from Property Accountability Form for approval and release of department accountability. This report must include a copy of a University Police/Security report. If the property is subsequently located, the Property Manager should notify the Property Accountant for corrective action. If the property is found during the annual inventory process, the Property Accountant should initiate the corrective action removing the item from lost/stolen status to active status.
2. Property is worn out or obsolete  
When property has been deemed worn out or obsolete, the Property Manager should complete a Relief from Property Accountability Form detailing the circumstances of the request. If the Surplus Board approves the request, the Property Manager should proceed with the disposition of the property. The Property Manager should ensure that the property decal identification number has been removed or defaced prior to disposition.
3. Property is usable only for cannibalization  
To cannibalize property and use its component parts for the repair of other property, the Property Manager must be notified and receive permission from the Property Surplus Board by submitting a Relief from Property Accountability Form prior to cannibalization. The Property Manager should ensure that the property decal identification number is removed or defaced at the time the property is cannibalized. After cannibalization, the used parts should be disposed of via recycling/dumping or if there is residual value, classified as surplus.

4. Property is broken and uneconomical to repair  
When property is broken and uneconomical to repair, the Property Manager should complete a Relief from Property Accountability Form and upon approval by the Property Surplus Board, should proceed with the disposition of the property.

When property is traded-in or exchanged for the acquisition of new property, the department Requisition to Purchase should include:

1. Description of property to be traded
2. Statement of Condition
3. Trade in allowance
4. Property decal identification number, serial number and model
5. Location of the property

The Requisition to Purchase is then forwarded to Procurement Services. If the transaction is approved by Procurement Services, a Purchase Order will be produced. The Property Manager should complete a Relief from Property Accountability Form and ensure that the property decal identification number is removed or defaced prior to the trade-in or exchange. If sufficient documentation cannot be obtained to support the trade-in or exchange, the property item should be treated as lost or unaccounted for in the annual inventory.

## **X. *Property Inventory***

### **A. Responsibility**

The Property Accountant is responsible for coordinating a physical inventory annually. The Property Manager is responsible for maintaining internal procedures to account for the acquisitions, transfer and disposition of tagged assets, depreciate tangible property over the estimated useful life and maintain property records in the Banner Fixed Asset Sub-System. An annual inventory meeting is held by the Property Accountant with the Property Managers. At this time, the annual inventory schedule is presented, and inventory policies and procedures are reviewed.

### **B. Inventory Results**

A report of progress, completion and any exceptions resulting from the physical inventory will be sent to each Property Manager during the annual inventory process. Upon completion of the Department's annual inventory, a final report of all unaccounted for items will be forwarded to the department head or Accountable Officer in the Department. The Accountable Officer must be someone other than the Property Manager. Receipt of the final inventory findings should be signed and returned to the Property Accountant by the Property Manager. On or before June 30<sup>th</sup> of each fiscal year, the completed University's annual inventory results listing all unaccounted for items by department, should be submitted to the University Controller and the Vice President for Administrative Services for review.

### **C. Off-Campus Equipment**

Equipment located at off-campus sites will be inventoried annually. These items will require a Property Check-Out Form be completed annually and be included in the department's annual inventory file. These items must be inventoried during the annual physical inventory of University property. The Property Manager will be given an inventory list by the Property Accountant to conduct the physical inventory on these items.

## **D. Missing/Stolen Property**

Property that is not located after making a diligent effort to search during the annual physical inventory should be reported as missing/stolen. A Relief from Property Accountability Form and a Police Report should be filed by the Property Manager who has accountability for the item. The completed Relief from Property Accountability Form with an attached Police Report is submitted to the Property Accountant for review and submission to the Property Survey Board. The unlocated property items remain on the property master file, and following approval by the Property Survey Board, have a change in status to "disposed." The Relief from Property Accountability Form is located on the Finance and Accounting web page <http://admin.fgcu.edu:2000/fin&acctg>.

## **E. Types of Tags**

Bar code tags are used by the University for Property Identification Tags and room location tags. For property items, the Property Accountant assigns the property identification number, and then prints the tag. Only the Property Accountant is authorized to create property identification tags. In assisting the annual inventory, all rooms are also identified with a property location tag. The Property Accountant is responsible to tag all buildings and rooms.