



## RUTGERS POLICY

**Section:** 40.2.10

**Section Title:** Fiscal Management

**Policy Name:** Equipment Inventory and Property Management

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### 40.2.10 EQUIPMENT INVENTORY AND PROPERTY MANAGEMENT

#### Policy and Responsibility

Primary responsibility for control of University equipment, materials and supplies rests with the provosts, vice presidents, deans, directors or department heads to whom property is assigned. This responsibility includes physical control, maintenance, and security. Equipment and materials of a general nature, such as window air conditioners, classroom furnishings and custodial equipment and supplies are not assigned to a specific division or department and are the responsibility of the Physical Plant Division.

#### A. Capital Equipment Inventory

University capital equipment is defined as all movable equipment with an original cost greater than \$1,000 and a useful life of one year or more. The Property Management Department within the Division of University Accounting is responsible for maintaining the University's capital equipment records and conducting physical inventories of capital equipment. Capital equipment is controlled as follows:

1. All purchase requisitions are reviewed for potential capital items. After the items are received and paid for, Property Management locates the equipment and makes a final determination as to whether the items are to be capitalized. If so, equipment inventory tags are affixed to the items and recorded in the University's property records.
2. All transfers of assigned capital equipment to another department or unit, and changes in equipment status due to theft, trade-in or cannibalized equipment must be reported to Property Management on a Transfer/Disposal Form available from Property Management.

All disposals of obsolete capital equipment must be coordinated through the Materiel Services Department in accordance with Section 20.1.13 of the University Procedures Manual. The inventory control copy of the Department Surplus Request Form must also be sent to Property Management.

3. On a scheduled basis, Property Management conducts a physical audit of University property with the assistance of the department. At the conclusion of the audit, the department will receive the following three reports:

Equipment Not Located – The department is expected to review this report to confirm that the equipment has not been located. The department is expected to complete its review within 60 days. If the department locates any of the missing items or otherwise becomes aware of their disposition, the department will need to communicate the required changes to Property Management. After the adjustments are verified, a final report will be issued by Property Management. The department is expected to review, sign and return the final report within 30 days. The signed report will serve as Property Management's authorization to delete the unlocated assets from the University's property records.

Equipment Located Off Campus – This report should be compared to the departmental list of equipment authorized to be removed from University premises.

Equipment Not In Use – This report is provided to assist the department in identifying surplus equipment that should be sent to the Materiel Services Department for proper disposal.

It is the responsibility of each department to see that equipment in its custody is cared for and utilized so as to insure maximum equipment life. Regular maintenance, lubrication, and calibration should be carried out on a preventative basis. In order to manage this responsibility, departments are encouraged to obtain an updated list of equipment assigned to them from Property Management at least annually.

Capital equipment acquired under sponsored programs may remain the property of the sponsoring agencies. In such cases, specific and unique property accounting procedures apply. Departments having custody of such equipment should be fully advised of and adhere to such procedures. The Property Management Department, the Division of Grant and Contract Accounting and the Office of Research and Sponsored Programs can provide detailed property control information.

Equipment personally owned by an employee of the University and used on University premises is not covered by University insurance unless specifically provided for by written agreement. Equipment on loan to the University from any source should be the subject of a written agreement with the owner specifying the University's obligations and responsibilities. Personally owned property is not subject to inventory.

#### B. University Equipment Used at Home or Away from University Premises

Given the increasing portability of office and laboratory equipment, the University recognizes that it may be convenient and beneficial for its employees to occasionally perform work at home or on the road. Accordingly, employees are permitted to take equipment home or away from work under the following conditions:

1. Approval to remove the equipment from the University's premises must be obtained by the department head.

2. If the item is capital equipment, a property tag must be affixed to the item before it can be removed from the University's premises.
3. A sign-out sheet is maintained by the department for each item removed from the department. The sign-out sheet must include a description of the item(s) removed and the associated equipment tag number(s). In addition, the sign-out sheet must indicate the expected duration of custody and a statement that the individual receiving the equipment accepts personal responsibility for the property during the period of custody. Finally, the log should be signed by the individual taking custody of the property and the department head authorizing custody.

The Property Management Department has prepared blank forms that are available and can be used by departments for this purpose.

The Property Management Department has prepared and issued a detailed procedures manual regarding equipment inventory matters for departmental use and reference. Copies of this manual are available from the Property Management Department.

C. Materials and Supplies Inventory

Departments which stock materials, non-capital equipment and supplies for use in teaching, research and other functions should conduct periodic inventory counts of such materials. At a minimum, an annual physical inventory is required. The Division of University Accounting prepares a year-end schedule of inventory counts in conjunction with departmental units and usually has a representative present to observe such inventory counts. Physical inventories can also be specially requested by Department Heads, the Division of University Accounting, the Internal Audit Department or the Treasurer's Office.