PROPERTY MANAGEMENT POLICIES AND PROCEDURES

-CONTENTS-

1 INTRODUCTION
2 USM OFFICE OF PROPERTY MANAGEMENT
2 BASIC FUNCTIONS
2 DEPARTMENTAL LIASON CONTACT
3 USM CAPITAL ASSET AUDITING POLICY
3 POLICY FOR DISPOSAL OF UNIVERSITY EQUIPMENT
3 DISPOSAL OF SURPLUS ASSETS
4 EQUIPMENT RECYCLING
4 TRANSFER OF EQUIPMENT TO OTHER U.S.M. DEPARTMENT
4 DISPOSAL OF JUNKED EQUIPMENT
4 PROCEDURES FOR HANDLING "JUNKED" EQUIPMENT
4 TRADING EQUIPMENT TOWARD REPLACEMENT EQUIPMENT
5 OFF-CAMPUS USE OF UNIVERSITY ASSETS/EQUIPMENT
5 OCCASIONAL OFF-CAMPUS USE OF UNIVERSITY CAPITAL ASSETS
5 USM SURPLUS OPERATION
5 WHERE DOES THE MONEY GO?
6 THEFT/LOSS OF UNIVERSITY ASSETS/EQUIPMENT

DOWNLOAD FORMS on
THE PROPERTY MANAGEMENT WEBSITE
(http://www.usm.maine.edu/property-management)

INTRODUCTION

All Policies and Procedures for the Office of Property Management and the University of Southern Maine (Henceforth referred to as the University) are based upon the following fundamental concept:

**Assets are owned by the University and/or the Federal Government. For purposes of this manual, assets may be defined as movable assets/equipment. Capital assets are those assets with an acquisition cost of at least $5000 and a useful life of one year or more.**

- It is the responsibility of each department to account for the assets it uses.
- When a department has lost control over assets, the entire University may be penalized for the department's improper disposal and/or replacement of assets/equipment.
- Proper control of assets includes responsibility for disposal, changes and/or transfers of assets, and a commitment to secure the highest possible value for all items sold or used as purchase trade-ins.

This manual explains the procedures departments are to follow to insure proper accounting for University assets. Our goal is that these assets be well-controlled by the proper use of purchase order numbers, purchasing cards, and the attachment of asset identification tags once the equipment is delivered.

A standardized capital asset/equipment disposal asset policy is a priority. The University policy for capital
asset removal or disposition follows.

**USM OFFICE OF PROPERTY MANAGEMENT**

Property Management is a monitoring and control function, and is charged with assuring that organizational processes related to the Lifecycle management of property support organization objectives, represent sound business practice, and is compliant with applicable standards, policies, regulations, and contractual requirements.

**BASIC FUNCTIONS**

- Identify and tag new and existing capital equipment/assets.
- Identify and tag all computers.
- Maintain an up-to-date inventory of movable capital assets/equipment.
- Issue inventory listings to University departments for verification.
- Conduct required periodic department inventory audits.
- Facilitate the sale or recycling of surplus property, either within or outside the University proper.
- Manage the U.S.M. Surplus Operation

**DEPARTMENTAL LIAISON CONTACT**

Property liaison contact provides the main line of communication between University departments and the Office of Property Management. To a great extent, the accuracy of the asset accounting system is dependent upon the quality of the communication between the Office of Property Management and University departments. Property liaisons should have direct access to their department heads and an expert knowledge of their department’s functional areas.

Broadly stated, the responsibility of the property liaison contact is to provide a communication link between the departments and the Office of Property Management. The position also provides coordination of the capital asset activities within the department. Departments should appoint a Property Management liaison who will maintain records and communicate with Property Management staff. For those departments authorized by Property Management to complete their own barcoding, liaisons must be trained by Property Management.

The responsibilities include:

1. Inform the Office of Property Management of the receipt of all new computers, and all other equipment with an acquisition cost of at least $5000. This will facilitate a timely update of each department's inventory listing.

2. Inform the Office of Property Management of any movement of property from one location to another.

3. Assist the Office of Property Management to locate movable equipment/assets during periodic on-site audits

4. Provide information to the Office of Property Management about surplus assets/equipment available for sale or disposal.

5. Complete all appropriate forms, and make arrangements for the disposal or moving of
surplus items as directed by Property Management

6. Review the periodic inventory list provided by the Office of Property Management to assure its validity for both content and location.

**USM CAPITAL ASSET AUDITING POLICY**

The Office of Property Management will be the responsible for coordinating and initiating the auditing process of U.S.M. owned moveable assets.

All University departments who own and/or have under their control, capital assets, will be subject to a physical inventory audit at least once every two years. Biennially, the Office of Property Management will print an updated report, by department, of all Capital Assets. A copy of the report, along with instructions, a sign-off sheet, and a completion date, will be sent to the Executive Office, Dean, or Department Chair of each department. One month will be allowed to complete the audit.

**POLICY FOR DISPOSAL OF UNIVERSITY EQUIPMENT**

The options available to University departments for the disposal of surplus assets/equipment are:

1. Transfer equipment to other University departments. (Excluding Federal Property)
2. Sale of equipment to an outside party.
3. Trade-in of equipment.
4. Disposal of equipment through Property Management (‘junked’)
5. Grant and contract transfer or disposal.

With the exception of office supplies, University departments may not dispose of any equipment without consulting Property Management.

**DISPOSAL OF SURPLUS ASSETS**

The Office of Property Management can provide the following services once assets/equipment has been declared surplus:

1. Appraisal of the surplus item(s).

2. Assist with the preparation of the Surplus Property Form.

3. Update the computerized inventory list.

To release equipment/assets for transfer to other departments or for sale, the departmental liaison contact must first complete a Declaration of Surplus Property Form, and mail, fax (780-5171), or email (surplusstore@usm.maine.edu) it to the Office of Property Management at 501 Forest Ave. Once the form has been received, the Property Manager or his/her designee will arrange to view the surplus assets and determine their disposition.
After Property Management determines the disposition of the surplus items, the Property Manager of his/her designee will coordinate the disposal or movement of surplus items to the U.S.M. Surplus Store with the department. Initially, the surplus equipment/assets may remain with the selling department where qualified personnel would be available to demonstrate use of the item(s).

**EQUIPMENT RECYCLING**

Property Management should be consulted whenever equipment is no longer in use or useful and becomes surplus. Property Management helps identify the needs of other departments. The Office of Sustainability will be responsible for the recycling of items deemed as "JUNK".

Surveys indicate a significant supply of usable surplus equipment within the University. Many departments have unused items which could benefit other departments. Primarily responsible for this situation is the reluctance of departments to surrender excess, unused equipment because of potential future use.

**TRANSFER OF EQUIPMENT TO OTHER UNIVERSITY DEPARTMENTS.**

1. Transfer of University equipment from one department to another will be at NO cost to the acquiring department.

2. The acquiring department will be responsible for having the equipment moved to their location, and for any other cost incurred.

3. U.S.M. departments will have first choice of available items approved for use on-campus.

4. Departments will be able to put items on hold for no more than two weeks.

5. Departments must demonstrate an immediate need for property acquired from the USM Surplus Store or another University department.

**DISPOSAL OF JUNKED EQUIPMENT**

Some items may no longer be usable. Throwing an item away without Property Management authorization is against University policy. Therefore, the Office of Property Management must be contacted before any movable asset/equipment is disposed of. In reality, unusable equipment may have salvage value, pose an unusual disposal problem, or have environmental regulations surrounding its disposal.

Any disposal/moving fees if applicable will be assessed to the owner department.

**PROCEDURES FOR HANDLING "JUNKED" EQUIPMENT**

1. After Property Management has determined that an item is JUNK, Property Management will work with the department liaison to coordinate removal of the item through a Facilities Management Work Order. The department is responsible for costs incurred when items are removed. All efforts are made to reduce the cost to departments. Items will be disposed of in the most economical and environmentally sensitive way possible.

2. Complete and retain a copy of the Surplus Property Form

3. The departmental property liaison should update the department's property listing to reflect the reduction in the department's inventory. Property Management will do the same on the asset
TRADING EQUIPMENT TOWARDS REPLACEMENT EQUIPMENT

An efficient method of reducing the net purchase price of new equipment/assets is to use the equipment being replaced as a trade-in. This type of transaction is encouraged. However, it is essential that trade-in figures reflect the true value of the traded asset and that the purchase price of the new asset not be inflated. The Director of Business Services/Purchasing will review all trade-in transactions involving assets with an acquisition cost in excess of $5000.

If the Director of Purchasing and Payables determines that the asset being traded is worth more than the trade-in allowance, the trading department should either negotiate a better trade-in agreement, without inflating the purchase price, or obtain senior administration officer approval.

OFF-CAMPUS USE OF UNIVERSITY ASSETS/EQUIPMENT

As a general policy, University property should not be removed from University premises. On rare and infrequent occasions, a piece of University equipment may be needed for use at a non-University location. Should there be a compelling and urgent need for University equipment to be removed from the University premises, permission for such removal should be obtained from the appropriate Dean or Executive Officer and an Off Campus Use Authorization Form must be completed. The lending department will retain the original, and a copy will be sent to Property Management before the asset is allowed off-campus. This information will be helpful should the item be lost, stolen, or damaged.

Certain portable equipment such as laptops, cameras, survey and marine equipment etc. that are meant to be used both on and off campus generally do not require an Off Campus Use authorization Form, however, departments remain accountable for the location of their assets.

OCCASIONAL OFF-CAMPUS USE OF UNIVERSITY CAPITAL ASSETS/EQUIPMENT (assets over $5,000)

Occasionally, moveable equipment may be temporarily taken off campus for business travel or to an off-site laboratory. When equipment is removed for more than fourteen consecutive days, you must notify Property Management and the System Accounting Office. This notification is required by UMS APL #I- G.2, the notification should include:

- Tag number and item description.
- Description of the off-campus location.
- Date the equipment will be removed.
- The expected date of return.

USM SURPLUS OPERATION

The USM Surplus Operation is managed by the Office of Property Management and is an outlet for the resale and recycling of university surplus property. This service is available to USM departments, faculty, staff, students, and outside buyers. All items are in useable condition unless otherwise stated, and are sold "AS IS". The USM Surplus Operation maintains a Web page at www.usm.maine.edu/property-management

WHERE DOES THE MONEY GO?
Almost all of the funds generated by the sale of surplus property to outside buyers are allocated to Academic Affairs to purchase academic equipment.

Exceptions include:
- Motor Pool Vehicles
- Other exceptions as approved by the CFO

**THEFT/LOSS OF UNIVERSITY ASSETS/EQUIPMENT**

Care should be taken to assure the safety and security of University assets/equipment at all times. However, despite positive efforts, items may occasionally be lost or stolen. When a loss is realized, the departmental property liaison should notify USM Police to complete a theft report. The information required on the theft report consists of brand name, serial number, model number, and USM identification number. USM Police will forward a copy of the report to Property Management. If the missing or stolen property is subsequently located by the department, it is requested that Police and Safety and Property Management be notified.

Reporting the loss of University equipment used off-campus is subject to a different set of procedures. As well as informing the University police, the municipal police force where the loss/theft occurred must be notified. A copy of the Police report and a detailed note listing brand name, serial number, model number, USM tag number, description and last known location of the item(s) should be forwarded to Property Management.

Please be aware that the University does not have an all-inclusive theft/loss policy on equipment used off-campus. The user is responsible for equipment in their care and may want to review their homeowner's or renter's insurance policy to make sure they are adequately protected.

If the lost/stolen items are insured under the University's Risk Management system, the departmental liaison should also contact Administrative Services/Risk Management, at 780-5246 to complete the process. This step should be taken whether the loss occurred on campus or off-campus.

**CONSULT PROPERTY MANAGEMENT FOR MORE INFORMATION**

- GRANT TRANSFER
- PROCEDURE FOR ACQUISITION OF FEDERAL SURPLUS PROPERTY
- REQUIREMENTS FOR DISPOSAL OF PROPERTY PURCHASED WITH GRANT OR CONTRACT FUNDS
- TRANSFERS OR RELOCATION OF CAPITAL ASSETS
- FABRICATED CAPITAL EQUIPMENT ASSETS
- CAPITAL ASSET DISPOSAL

Revised 7/17/2013