



Mississippi Institutions of Higher Learning
IHL Executive Office

Section: Administrative Policies

Retrieval No.

501113

Subject: Property Guidelines

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Purpose

The purpose of maintaining a furniture and equipment inventory is to comply with the State-owned property inventory rules of the Mississippi Administrative Procedures Act and the Code of 1972 and in accordance with the Federal Acquisition Regulation (FAR) Part 45 and the Office of Management and Budget (OMB) Circular A-110.

Policy

The IHL Executive Office of Purchasing and Property will account for all furniture and equipment purchased, donated to IHL, transferred to or from other State agencies, government-owned loaned to IHL, sold, junked or transferred.

Responsibility

Department heads are responsible and accountable for all furniture and equipment in their departments and are to maintain internal control over furniture and equipment inventory. The Office of Purchasing and Property will assist in the development and evaluation of a department's furniture and equipment inventory control procedures.

Items that Require Inventory

Furniture and equipment purchased through the IHL Executive Office of Purchasing and Property from budgeted departmental appropriations, restricted funds (externally funded grants or contracts), or special appropriations will be assigned an inventory number, the number attached, and the item accounted for on the Executive Office's inventory. Items that cost less than \$500.00 or with a fair market value of less than \$500.00 will not be reported on the furniture and equipment inventory records. The exceptions to the \$500.00 rule are: **WEAPONS, CAMERAS AND CAMERA EQUIPMENT, TAPE RECORDERS, IPODS, MP3 PLAYERS, TWO WAY RADIO EQUIPMENT, TYPEWRITERS, APPLIANCES-(REFRIGERATORS, FREEZERS, AIR CONDITIONERS, STOVES, MICROWAVE OVENS, ETC.), TELEVISIONS, VCR, LAWN MAINTENANCE EQUIPMENT, STERLING SILVER, CELLULAR TELEPHONES, MAJOR COMPUTER COMPONENTS, CHAIN SAWS, AIR COMPRESSORS, WELDING MACHINES, GENERATORS, MOTORIZED VEHICLES, DICTATING EQUIPMENT AND ANTIQUES.** These items will be included as inventory regardless of the price paid to acquire the item or the fair market value.

Identification and Tagging

Every item of an inventorying nature is given a seven (7) digit number, usually numbered in sequential order of acquisition. Whenever possible, all tags will be affixed to the property on the left, adjacent to the manufacturer's nameplate or in a position for easy sighting. When the size or nature of the property makes it impractical to apply any tags, the information may be etched or painted on the property. Some items, because of their nature, cannot be tagged and

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will be carried on the inventory file as a “not-tagged” item. All tags must remain affixed as long as the property is in the possession or control of the IHL Executive Office. Any tag which becomes lost, damaged, or obscured should be reported promptly to the Office of Purchasing and Property. This number will be used to identify all property acquired by means of purchase, title transfer, donation, abandonment, or government-owned.

Reports

The Purchasing and Property Office will furnish each department a report showing acquisition, disposal and transfer of property. This report should be filed in the department's office for reference and later use. All furniture and equipment transactions are reported monthly to the State Department of Audit.

Control of IHL Executive Office Equipment and Materials

- I. No equipment or materials which are part of the inventory of the IHL Executive Office are to be used for personal use or taken from the campus for personal use even though equipment is returned.
- II. Equipment and materials which are to be used by a staff member may be taken from the campus if the following criteria are met:
 - a) The equipment or materials must be used within the scope of staff member's duties.
 - b) The staff member's department head must approve the change in location. A loan receipt giving a description of the equipment or materials, serial number, tag number, location of equipment or materials and the dates it will be used off campus.
 - c) Equipment must be returned to campus for repairs and/or maintenance.
- III. Inventories are the responsibility of the department head. When it is determined that an item listed on the equipment inventory is lost or stolen, the department head shall report it to the Office of Purchasing and Property.

Maintenance of Property

It is the responsibility of the department using the property to protect the property against loss, damage, and use other than that authorized. The responsible department is also required to provide the care necessary to maintain all property properly, excepting normal wear, in order that the greatest useful life may be secured. If repairs to property are required, they should be completed expeditiously in order to maintain the property in good working condition. However, sound judgment should be used to determine whether the property warrants the cost of repairs. Records for property requiring routine maintenance should be kept on file within the department in order that the required maintenance, calibration, etc. are conducted.



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When property is temporarily idle but required for authorized future use, it must be stored in accordance with good housekeeping practice and with adequate protection from corrosion, contamination and damage to sensitive parts. Sludge, chips, and cutting oils are to be removed from equipment prior to storing. The responsible department records should contain pertinent data accounting for storage location, adequate justification for storage, the date placed in storage and the anticipated date for removal from storage. Equipment stored for more than one year should be reviewed annually to confirm the justification for storage.

Repairs of Property

Records must be kept on any item sent to be repaired. This record should state where the equipment will be sent, the vendor, the IHL number, date, serial number, description, and the shipping/repair number or receipt. The Office of Purchasing and Property shall be notified prior to shipping for tag removal and documentation. Departments shall check on the property status and notify the Office of Purchasing and Property if the item is returned, replaced, or lost in shipment. Sometimes the costs of repairs exceed the value of the item. Departments shall determine whether the property warrants the cost of repairs. The Office of Purchasing and Property is to be notified of this decision. All purchase orders issued for repair of IHL Executive Office or government-owned property shall include the inventory number and/or serial number.

Audit of Department's Inventory

Each department's inventory will be audited by the Office of Purchasing and Property or the Internal Auditor whenever necessary. The State Property Auditor audits each agency's inventory whenever necessary. A report of this audit is sent to the Commissioner of Higher Education and the IHL Board President.

Liability for Failure to Make Inventory (MS Code Section 29-9-17)

If any officer or employee of any state agency shall refuse or fail to make any inventory or supplemental inventory thereto as required herein, or to do so in the manner prescribed by the State Auditor, the State Auditor shall proceed to make, or cause to be made, the inventory or supplemental inventory; and the expense thereof shall be personally borne by said officer or employee, and he shall be responsible on his official bond for the payment of the expense.

In the event that an examination conducted pursuant to MS Code § 29-9-13 finds items that are included on an agency's inventory which are missing and otherwise unaccounted for, the State Auditor has the authority to proceed under the provisions of MS Code §7-7-211 to recover the value of the missing items. The demand shall be made against the head of the agency, the agency's property officer and/or the appropriate officer or employee, if identified.



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Change of Department Head

Whenever a change in department head occurs, all items shall be accounted for by the outgoing department head. The incoming department head will accept the responsibility and accountability of the department inventory when he/she assumes duties as department head. The department head is designated as custodian of property assigned to the department unless the department head delegates this responsibility to another individual within the department. Before a department head leaves the employment of the IHL Executive Office or steps down as department head, he/she shall contact the Office of Purchasing and Property and request a complete physical inventory prior to the change in department head status so that any discrepancies can be resolved. The Office of Purchasing and Property shall be notified of the change in property responsibility and will assist with the audit and changeover.

IHL Executive Office Employees Leaving Employment

Staff leaving the IHL Executive Office's employment must be cleared by the responsible department head via completion of the Exit Clearance Checklist provided by the Office of Human Resources. All IHL Executive Office property must be returned and verified before termination is completed.

Transfer of Property from Another Agency

Furniture or equipment received by a department through transfer from another State or external agency, including federal agencies, will be handled by the IHL Executive Office of Purchasing and Property. A complete description of the property, serial number, name of the manufacturer, number of items, original cost, original date of purchase, name of transferring agency and any other documentation or information concerning the property will be included. The Office of Purchasing and Property will number the item if it meets the criteria set forth by the state and record it in the fixed asset file. The department will receive an acquisition receipt and report.

Transfer of Property to Another Agency

Furniture or equipment may be transferred to another state or government agency after written approval has been received from the State Office of Purchasing and Travel and/or any other governing agency. The IHL Executive Office of Purchasing and Property will coordinate the property transfer. The Office of Purchasing and Property will delete the property from inventory and send a report to the State Office of Audit upon notification from the State Office of Purchasing and Travel or other appropriate governing agency that the property has been satisfactorily transferred to the other agency.



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Disposition of Government-Owned Property

When an externally funded contract or grant expires, a written request for disposal instructions is submitted to the government agency that furnished the equipment. This request is submitted by the Office of Contracts and Grants Compliance. Upon receipt of requested instructions, the equipment will be disposed of in accordance thereof. Should the agency require that the equipment be returned, the item will be removed from the inventory listing and returned to the agency. The agency will in turn furnish written acknowledgment of its receipt of the property. Property forms confirming the disposal are then submitted to the agency by the Office of Contracts and Grants Compliance in conjunction with the Office of Purchasing and Property.

Worn-Out, Broken or Junk Property

Worn-out, broken or junk property with no cash value shall be reported to the IHL Executive Office of Purchasing and Property with description, serial number, inventory number and condition. An e-mail including this information shall be sent to cguillotte@mississippi.edu *The Office of Purchasing and Property must inspect all worn-out or obsolete property before it is removed from the department and will secure the necessary approval for disposition from the IHL Executive Office Salvage Committee.* The department will be notified of the Salvage Committee's decision and the property will be deleted from the inventory record, if appropriate. **NOTE:** STATE AND FEDERAL LAW LIMITS THE MEANS BY WHICH WORN-OUT, SURPLUS OR OBSOLETE ITEMS CAN BE DISPOSED OF, REGARDLESS OF THE DOLLAR VALUE. Furniture and equipment cannot be destroyed, cannibalized or discarded without coordinating with the IHL Executive Office of Purchasing and Property and the IHL Executive Office's Salvage Committee.

Stolen or Missing Property

Furniture or equipment that is missing, stolen or has disappeared shall be reported to the IHL Executive Office of Purchasing and Property as soon as determined. The description, serial number, inventory number, and other information about the lost or stolen item should be included in the report. To delete the property from the inventory, a notarized affidavit must accompany the deletion report. A detailed explanation of the loss showing the law enforcement agency to which this loss was reported, as well as the report/case number filed on this loss is required. A copy of the law enforcement agency's report shall also be attached. The affidavit must be signed by the executive head of the agency, the person in charge of property records and the employee directly responsible for the property which was stolen, lost or mysteriously disappeared. *The Affidavit form is available from the Office of Purchasing and Property.* The Office of Purchasing and Property will secure the necessary approval for disposition from the Executive Office's Salvage Committee. The department will be notified of the IHL Executive Office's Salvage Committee's decision. The Office of Purchasing and Property will delete the property from the inventory record, if approved and send a report to the State department of Audit.



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Permanent Interdepartmental Transfers

Interdepartmental transfers must be reported to the Office of Purchasing and Property in writing including the description, condition, serial number, inventory number of the property being transferred, the name and signature of the department to receive the property and proof indicating the department has received the property. Written approval from the proper agency has to be obtained before transferring government-owned equipment. The Office of Purchasing and Property will assist in transferring furniture or equipment from one department to another. The department head to which the item was assigned originally will be held accountable until the Office of Purchasing and Property is notified of the transfer. After being notified, the department head acquiring the property assumes accountability. Both departments will receive a transfer report. The transfer/obsolescence forms are available from the IHL Executive Office of Purchasing and Property.

Marking of Motor Pool Vehicles

All state owned vehicles shall have a permanent decal or paint on both sides of the vehicle in letters at least three (3) inches in height and on the rear in letters not less than one and one-half (1-1/2) inches in height stating the name of the state agency. The marking must be in a color which is in contrast with the color of the vehicle. Vehicles with faded and barely visible markings, as well as those which have no markings at all will be reported. The IHL Executive Office of Purchasing and Property is in charge of vehicle marking.

Deletions

No deletions for junked, salvaged, lost or missing items will be made on the inventory property listing until the IHL Executive Office's Salvage Committee has approved such a deletion and authorized the Office of Purchasing and Property Department to take appropriate action. The IHL Salvage Committee will verify all paperwork, view items and approve all deletions to assure proper disposal procedures were followed. All paperwork must include the signatures of the appropriate parties and verification the proper government agency has been informed should government-owned property be involved. The Internal Auditor will spot-check inventory listings on a random basis to verify accuracy in procedure.

Cannibalization

Property should not be cannibalized unless it has no reasonable prospect for sale or use as serviceable property without major repair or alterations, but it has some value in excess of its scrap value. Cannibalized property must be deleted from the IHL Executive Office's master listing when it loses its identity. If the remainder of the property has no recovery value, it may then be discarded. (Property to be deleted must be cleared through the IHL Executive Office Salvage Committee and the Office of Purchasing and Property before action will be taken to remove it from the master inventory file.)



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Loan of IHL Executive Office Owned Equipment

Restrictions to the loaning of IHL-owned or government -owned equipment are that: (a) the equipment is used in furtherance of the IHL Executive Office's work in direct benefit to IHL with the results being reported to the IHL Executive Office; (b) the equipment is not commercially available; and the recipient is liable for any loss or damage to the equipment while it is in his or her possession. The recipient is also responsible for the cost of any packing, crating, and transportation from origin to destination and return. Prior to lending IHL-owned or government-owned equipment, it is necessary to obtain the approval of the IHL Executive Office of Purchasing and Property. Prior agency approval is also required for government-owned equipment. Any loans must be coordinated through the Office of Purchasing and Property to ensure proper updating of the records. Property retrieval from loan recipient will be the responsibility of the department administrator.

Personal, Lease, Rental, or Borrowed Property

This type of property should be identified and labeled to clarify ownership. Any documentation concerning this property should be available whenever a department is audited.