

**University Policy 700.02**  
**UNIVERSITY PROPERTY AND EQUIPMENT INVENTORY**

**Responsible Administrator:** Vice President of Administration

**Responsible Office:** Auxiliary Services

**Originally Issued:** September 2010

**Revision Date:**

**Authority:** Office of the President

**Policy Statement**

It is the policy of Claflin University to provide guidelines for safeguarding, custody and disposal of University property and equipment inventory.

**Statement of Purpose**

This policy seeks to:

- Promote compliance with University By-Laws for University Property and Equipment Inventory (i.e., safeguarding of assets);
- Promote compliance with federal, state, and other legal requirements for grant- owned property and equipment inventory; and
- Promote the efficient management, sharing, and transfer of information among authorized University staff within prescribed security standards.

This policy does not address the real estate, which is addressed in the “Acquisition and/or Disposal of Real Estate” policy. Consult the attached University policy as aforementioned for further information about University Real Estate.

**Applicability**

This policy applies to all University departments and offices as they relate to all University property and equipment inventory amounting to \$5,000 or more per item.

**ADMINISTRATIVE RESPONSIBILITIES**

The **Vice President of Fiscal Affairs** is responsible for developing and setting policies and standards for University property and equipment inventory. Further, in accordance with University by-laws, the Vice President of Fiscal Affairs is the official property custodian. However, the Vice President - Fiscal Affairs may utilize, as necessary, the Offices of the Associate Vice President of Fiscal Affairs, the Controller, the Director of Auxiliary Services, and Sponsored Programs to assist in this responsibility. In addition, the Vice President - Fiscal Affairs may from time to time issue memoranda delegating specific custodial responsibilities to deans, department heads, and other responsible individuals.

The **Director of Auxiliary Services** is responsible for monitoring implementation and

compliance with set policies and standards and overseeing the receipt, identification, tagging, placement, transfer, and/or disposal of University property and equipment inventory.

The **Controller** is responsible for accounting, implementation, and compliance with set policies and standards and overseeing the quality, consistency and effectiveness of the University's financial records management systems in the accounting area for grant-sponsored property and equipment and University Unrestricted Fund property and equipment inventory and shall perform such functions in consultation with the Associate Vice President.

## **PROCESSES**

### **A. Title to Property and Equipment**

The title to all University-owned property and equipment shall always be in the name of Claflin University rather than any particular school, department head, or section. Title to research equipment purchased on grants belongs to the sponsoring organization until such organization specifically vests ownership and title with the University.

The Director of Auxiliary Services, in collaboration with the Controller, and the Director of Sponsored Programs shall assure the University's compliance with all Federal Rules and Regulations, and grants closeouts resulting in the ultimate effecting of title of ownership to Claflin University of such property.

### **B. Equipment Identification Procedures**

All University owned and research equipment will be tagged and assigned specific locations. (A replacement item from a manufacturer will be tagged in like manner and documented in the University's records.) The Director of Auxiliary Services is responsible for providing decals, and a special identification coding system will be used to distinguish between University- owned equipment and research equipment belonging to sponsors.

### **C. Equipment Inventory**

Effective with the fiscal year ending on June 30, 2011, a bi-annual physical inventory is required of all University-owned property and equipment. Inventory records will be periodically updated to reflect new purchases, as well as disposals. Equipment must be kept in the assigned locations indicated on the equipment inventory record.

### **D. Equipment Set-up and Installation Procedures**

All equipment purchased by Claflin University personnel that requires set-up and installation must be reviewed to ensure that the University can support the equipment in regard to space and requirements for operation.

Prior to purchasing such equipment, an employee in conjunction with his/her supervisor must consult with Facilities Management staff to ensure that particular factors are considered. Considerations must be documented on a form specifically developed for that purpose (see Attachment 3) and signed by the employee, the immediate supervisor, and Facilities Management staff. The form should then be referenced to other documents required for purchase and submitted to the University's Procurement Office.

When assessing the University's ability to support the equipment, the following factors should be considered:

- Is there adequate space for the equipment?
- Prior to purchase of the equipment, has the manual for the operation and installation of the equipment been reviewed?
- What are the electrical requirements for the equipment? Are electrical requirements for the equipment presently met; if not, can electrical requirements be reasonably met?
- Does the equipment require additional equipment to operate optimally? If so, can the additional equipment be reasonably and practically purchased (i.e., the cost of that equipment considering its benefit)?
- Should a service contract or agreement be included with the purchase?

**Absent completion and submittal of a form which justifies a purchase, equipment requiring set-up and installation cannot be purchased.**

#### **E. Safeguarding University Property**

No individual is authorized to remove, for any purpose, equipment from University premises without prior written approval from the property custodian.

#### **F. Surplus Property**

- Disposal and/or disposition of surplus property must be authorized in writing by the Vice President of Fiscal Affairs.
- Disposition of surplus property is handled by the Director of Auxiliary Services and must be done in accordance with the established procedures outlined below.

#### **Disposition and Reporting of Surplus Property**

User departments should periodically review their inventory levels of equipment and

other tangible assets to determine whether excess items are on hand. In the event such conditions exist user departments shall complete and forward to Director of Auxiliary Services a Transfer and/or Dispose of Property Form (see the attached form referred to hereinafter as a "Transfer Property" Form) specifying the items which are no longer required.

Upon receipt of a Transfer Property Form, the Director of Auxiliary Services verifies by serial number that the item(s) listed is part of the declaring department's property inventory. The accumulated depreciation is computed based on the original cost to arrive at a net book value.

After items are declared to be surplus, the Director of Auxiliary Services must determine the best method of disposition. Depending upon the condition and nature of items and the needs of other departments, items may be transferred, traded, sold by sealed bid, or sold as scrap.

- **Transfers to other departments**

If surplus items are still operable and not obsolete, they should be transferred to other departments who need them. To accomplish this, the Director of Auxiliary Services will periodically circulate to all departments a listing of surplus property. Should a department have a need for any of the items listed, the Director of Auxiliary Services will arrange for a property transfer to the requesting department.

- **Trade-ins**

If a user department needs to purchase an item to replace obsolete equipment, and the surplus property cannot be used by another department, the Director of Auxiliary Services should explore the possibility of a trade-in. If trade-ins are acceptable on a particular equipment item, which a user department desires to replace, the bid solicitation should require bid prices with and without trade-ins, and indicate that an award may be made on either basis. In so doing, the best trade-in offer can be evaluated against the expected sale price for the obsolete item.

- **Sale to outside parties**

If neither a transfer nor a trade-in is feasible, the Director of Auxiliary Services will arrange to sell the surplus property on a sealed bid basis. To accomplish this, a public notice of sale should be made and sealed bids requested from interested parties. The sale will be made to the highest bidder. Since the University is not in the business of selling property it is important that it be made clear to all bidders that the University makes no guarantees for items sold. However, to be fair the bid solicitation should describe the condition of items and list known defects, but beyond that, it should be indicated that the buyer assumes all risks.

- **Sale for scrap**

In the event surplus items are no longer operable, the Director of Auxiliary Services may sell them for scrap to the highest bidder.

### **Viewing and Acquiring Surplus Furniture and Equipment**

- The representative designated by a department to purchase supplies and equipment contacts the Director of Auxiliary Services to set up an appointment to view surplus property. An appointment will be canceled if a representative fails to arrive within thirty (30) minutes after the appointed time. Representatives from the releasing department should inform the Director of Auxiliary Services of any changes in scheduled appointments and vice versa.
- Upon arrival, the representative is required to present valid University identification to authorized personnel who will then accompany him/her to the viewing area. A student representing a recognized student group should present authorization from the Office of Student Development and Services (i.e., student ID.)
- Property selected will be labeled with the representative's name and the department's name and held until required documents are processed. In order to complete the transfer, Transfer and/or Dispose of Property Form must be prepared by the requesting department for submission to the Director of Auxiliary Services for the removal of property from surplus storage. On receipt of the signed work request, Physical Facilities Management will assign a job order number and transport the property to the requesting department. Items selected must be removed from the warehouse area/location within 60 days. Items left in the warehouse area/location longer than 60 days may be reassigned to another department.

### **Transfer and Disposal of Surplus/Obsolete Furniture and Equipment**

Surplus/obsolete furniture and equipment will be disposed of or transferred in accordance with the following guidelines:

- When an item listed on the departmental inventory report (computer listing) has been declared surplus, obsolete or uneconomical reparable, a Transfer and/or Dispose of Property Form should be prepared requesting that the item be moved to Auxiliary Services. Small items may be transported by the department concerned
- The request will be sent to Auxiliary Services for signature to acknowledge new location and change of custody.
- Surplus/Obsolete or uneconomical reparable property that is not listed on the departmental inventory report will also be transferred to Auxiliary Services. Upon completing the Transfer and/or Dispose of Property Form the document is forwarded to Auxiliary Services. Small items may be transported with the form.
- Additionally, departmental property managers are responsible for ensuring that property transfers meet the following prerequisites:
  1. Cabinets, desks and other equipment with drawers are free of supplies and nonsensical material.
  2. Equipment is transferred complete with all component parts, as an example, (L-Unit with secretarial desk, stand and feed trays with copying machines, prime power source accompany electric-powered machines, and electric cords.
  3. Mechanical items of equipment should be transferred with their

supporting publications, operation manual or brochure.

To ensure maximal accountability and protection of University property at all times, property should not be left on loading docks and ramps, in hallways nor buildings and exits unsecured. Property awaiting transfer must remain in a secure area until such time it is moved to the premises of the new owner/custodian (i.e., usually the Director of Auxiliary Services), who assumes responsibility for the property upon receipt.

The above requirements are necessary to insure the orderly and comprehensive transfer of property, and express the importance and concern for property accountability in all transactions.



## Attachment 1

### Policy on Acquiring and Disposing of University Real Estate

**Effective:** July 1, 2009

**Last Updated:** Prior to October 2008

**Responsible University Officer:** President and/or his designee

**Policy Contact:** President and/or his designee

#### POLICY STATEMENT

Clafin University real estate (i.e., land, buildings, any air rights, water rights, and/or other rights) is owned by Clafin University, a South Carolina corporation unless acquired with governmental grant funds. In such cases whereby real estate has been acquired with governmental grant funds, such real estate is owned by Clafin University in compliance with terms and/or conditions of the governmental funding agency as evidenced by governing statute and/or promulgated Regulation.

The Board of Trustees reserves to itself authority to approve the purchase or sale of real property having a value equal to, or greater than \$150,000. Authorization for all purchases is pursuant to and in compliance with zone priority as determined by the Board of Trustees as part of the Clafin University Campus Master Plan.

Pursuant to the Board of Trustees as a Policy: The purchase or sale of real property having a value equal to, or greater than \$150,000 is a separate agenda item on the Buildings and Grounds Committee agenda for review and subsequent action. The purchase or sale of real property with a value equal to, or greater than \$150,000 is to be evidenced in writing using a form to be determined as a Consent Report to the Buildings & Grounds Committee for Board of Trustees approval as is to be subsequently evidenced by Board Resolution.

Proceeds from the sales of restricted University real estate are used in accordance with the purposes designated by the donors and/or funding agency. Proceeds from the sales of unrestricted University real estate are deposited to the Plant Fund with a determination made by the President as to the use of such proceeds.

The President's Office and/or his designee is responsible for the acquisition and disposal of all University real estate. The Office of Fiscal Affairs is responsible for the management of the Plant Fund.

Acquisitions must support the University's educational, research or outreach mission. Disposal may occur when it is determined that the real estate is not needed (nor will it be in the future) to fulfill the University mission.

Properties considered for acquisition or disposition are reviewed by the collegiate or campus unit, and the Office of the President; and approved by the President or his designee if the property has a value of \$150,000 or less.

### REASON FOR POLICY

By ensuring that all appropriate inquiries are made as to the acquisition of each proposed real estate asset prior to acquisition, the University minimizes its potential for legal and financial exposure to claims for damages under applicable laws, including those governing the environment and hazardous materials. The University disposes of property expeditiously and in a manner that maximizes return, considers other possible purposes and avoids conflict of interest.

### PROCEDURES

See Real Estate Transactions

### FORMS/INSTRUCTIONS

There are no forms for this policy.

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Real Estate Transactions

### PROCEDURE

#### *General Information*

Board of Trustees approval is required for the purchase or sale of real property having a value equal to, or greater than \$150,000. The purchase or sale of real property having a value equal to, or greater than \$150,000 is a separate agenda item on the Buildings and Grounds Committee agenda for review and subsequent action. The purchase or sale of real property with a value equal to, or greater than \$150,000 is to be evidenced in writing using a form to be determined as a Consent Report to the Buildings & Grounds Committee for Board of Trustees approval as is to be subsequently evidenced by Board Resolution.



All purchases of real estate must be pursuant to zone priority as determined by the Board of Trustees as part of the Claflin University Campus Master Plan.

To determine a parcel's value, the Vice President of Fiscal Affairs and/or a real estate staff member designee:

1. Will obtain appraisals from two independent fee appraisers, preferably appraisers with Members of Appraisal Institute (MAI) status, when the value is anticipated to exceed \$150,000, and there is one appraisal for other purchase or sale transactions.
2. May use sale or appraisal data from similar properties when the value is anticipated to be less than \$150,000.

### **Acquiring Real Estate**

Prior to the purchase of real estate or acceptance of a real estate gift, it should be determined if there are any environmental problems affecting the property. During this preliminary phase, the Office of Fiscal Affairs working with a realtor, obtains title documentation for the property provided by the seller, consults with University legal counsel where determined necessary for title survey and verification of legal access.

The Office of the Vice President of Fiscal Affairs handles any required relocations resulting from properties purchased.

### **Selling Real Estate**

Real property must be designated "Surplus Real Estate" before offered for sale, except in the following instances:

1. Property given to the University, when conversion to cash is consistent with maximizing the beneficial terms of the gift or bequest.
2. Property purchased by auction and/or delinquent tax sales for the purposes of acquiring the land.
3. Property exchanged for other property of approximately equal value.

Property valued at more than \$150,000 in size is designated as Surplus Real Estate following review of the planned sale by the Board of Trustees. Property not exceeding these limits can be designated surplus by the President or the Vice President of Fiscal Affairs.

Surplus University real estate can be offered for sale to the public internally, with either an Invitation to Bid or a Request for Proposal issued by the Vice President of Fiscal Affairs, or externally by listing the sale of the property with a real estate broker. The

sale method will reflect market conditions and characteristics of the particular property as deemed appropriate by the Vice President of Fiscal Affairs.

Property may be sold without a public offering in certain circumstances:

1. Public Offering Resulted in No Acceptable Bids or Proposals.

Following a public offering in which no bid or proposal was accepted, property may be sold in a negotiated sale, provided the price is not less than the highest bid or proposal rejected.

2. Sale to a governmental and/or other Non-Profit entity.

Property may be sold to a governmental entity (i.e. town, city, county) or a non-profit organization whose program complements the University's teaching, research and/or public service mission without public offering, as long as the price is not less than the appraised value.

3. Abutting Property Owner.

Property may be sold to an abutting property owner without a public offering when the property is essential to the economic well-being of the abutting property owner, provided the price is not less than the appraised value.

4. Less than \$10,000.

When the value of the property is less than \$10,000, no public offering of the property is required.

The University reserves minerals and/or mineral rights when it conveys property, unless specifically negotiated otherwise.

### **Sale Proceeds**

Proceeds from the sales of restricted University real estate are used in accordance with the purposes designated by the donors and/or funding agency

### **Closing Activities**







The Office of the Vice President of Fiscal Affairs ensures that all relevant conditions outlined in the purchase agreement have been satisfied prior to closing, such as

environmental investigations, surveys, title reviews, building evaluations, and necessary University, governmental and/or other corporate approvals.

The Vice President of Fiscal Affairs, or his designee represents the University at the closing of a University purchase or sale of real estate. In coordination with University counsel when appropriate, the deeds and any supplemental documents are prepared or reviewed. At closing, the Vice President of Fiscal Affairs, or a designee verifies payment or receipt of sale proceeds, orders title insurance, ensures payment of appropriate real estate taxes and special assessments due at closing, and ensures conveyance instruments will be recorded.

Following the closing, the Vice President of Fiscal Affairs or his designee files the Statement of Owner of Real Estate Claimed to be Exempt from Taxation with the appropriate city and county offices for properties acquired and reports the acquisition or sale as appropriate within the University community where/when appropriate.



| <b>Approvals</b>  |  |
|---|--|
| Supervisor of Current Custodian         |  |
| Custodian of Receiving Department       |  |
| Supervisor of Custodian of Rec'g Dept   |  |
| Director of Auxiliary Services          |  |
| Vice President of Fiscal Affairs        |  |

**Attachment 3**

**CLAFLIN UNIVERSITY:  
CONSIDERATIONS REGARDING EQUIPMENT SET-UP AND INSTALLATION**

**It is important that equipment purchases at Claflin University consider the need to plan fiscally as well as the overall benefit of equipment to the University. To that end, the following issues must be considered. Employees and their immediate supervisor must consult with facilities management personnel prior to purchasing equipment which requires set-up and installation.**

1. Is there adequate space for the equipment? Yes \_\_\_\_\_ No \_\_\_\_\_ (Provide comment as needed)

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2. Prior to purchase of the equipment, has the manual for the operation and installation of the equipment been reviewed? Yes \_\_\_\_\_ No \_\_\_\_\_

(If so, provide details on conclusions; if not obtain, a manual and provide conclusions)

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3. What are the electrical requirements for the equipment? Are electrical requirements for the equipment presently met; if not, can electrical requirements be reasonably met?

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4. Does the equipment require additional equipment to operate optimally? If so, can the additional equipment be reasonably and practically purchased (i.e., the cost of that equipment considering its benefit)? Yes \_\_\_\_\_ No \_\_\_\_\_

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5. Should a service contract or agreement be included with the purchase? Yes \_\_\_\_\_ No \_\_\_\_\_

(Provide explanation in either case)

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Employee \_\_\_\_\_ Date \_\_\_\_\_

Immediate Supervisor \_\_\_\_\_ Date \_\_\_\_\_

Facilities Management Personnel \_\_\_\_\_ Date \_\_\_\_\_