

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Fiscal Affairs

NUMBER: 03.E.02

AREA: Physical Property

SUBJECT: Property Management

1. PURPOSE

The University of Houston System is responsible for complying with state and federal rules for property accountability and control. The purpose of this document is to outline the roles and responsibilities associated with accountability and control for capital and controlled assets.

2. POLICY STATEMENT

As required by state law, the president of each component university is required to ensure that the institution maintain adequate control over capital and controlled assets. The president of each component university shall designate a property manager to carry out the manager duties in accordance with state and federal guidelines.

3. DEFINITIONS

3.1. Capital Assets: Possessions that have a single unit value of \$5,000 or greater and an estimated useful life of more than one year. Generally, a capital asset must be self-contained for its primary use and have sufficient size to make its control feasible by means of marking with identification numbers and/or manufacturer's serial numbers. Items not meeting these criteria are classified as expendable, with generally two exceptions.

3.1.1. Component parts used to fabricate a larger capital asset assembly must be coded as capital expenditures; and

3.1.2. Freight, transportation costs, and/or installation fees associated with the purchase of capital assets or components must be coded as capital expenditures.

3.2. Controlled Assets: Assets that the State Comptroller's office determines must be secured and tracked due to the nature of the items, between the ranges of \$500 and \$4,999.99, with an estimated useful life of more than one year. These assets are not capitalized assets, real property, improvements to real property, or infrastructure. The specific assets include firearms, TVs, portable cameras,

video players and recorders, sound systems and audio equipment, data projectors, laptops, handheld devices such as tablets and cell phones, and microcomputers.

- 3.3. Property Management: Property Management is responsible for promulgating guidelines to help ensure compliance with all applicable rules related to accounting for and control of capital and controlled assets. Property Management is also responsible for communicating applicable rules to the component university departments. Property Management will notify department heads, deans and divisional heads of any instances of non-compliance with Property Management guidelines, as appropriate.
- 3.4. Property Custodians: Each college, division, department and unit administrator are responsible for ensuring compliance with Property Management guidelines and are required to appoint a property custodian to perform the duties specified in the Property Management guidelines. In addition to compliance with Property Management Guidelines, college, division, department, and unit administrators are also responsible for working with Information Technology to help ensure the appropriate disposal of data-processing equipment or data storage devices that are not capitalized or controlled.

4. REVIEW AND RESPONSIBILITY

Responsible Party: Senior Associate Vice Chancellor for Finance

Review: Every three years on or before June 1

5. APPROVAL

Approved: Jim McShan
Senior Vice Chancellor for Administration and Finance

Renu Khator
Chancellor

Date: February 14, 2018

REVISION LOG

Revision Number	Approval Date	Description of Changes
1	02/10/1993	Initial version
2	09/01/1995	Section 5.1 was expanded to detail removal of equipment by multiple users; Section 5.2 on the approval process was moved into Section 5.1.a. A new version of Form PRP-2 was added, along with Form PRP-2A, a multiple user log.
3	07/07/1998	Added Section 2.2 on Controlled Assets and Section 2.3 on University Surplus Property. Added "Federal and State" to Section 2.8 on Surplus Property. Changed the parameter for non-maintenance items from \$1,000 to \$500 in Section 3.5. Rearranged documentation in Section 4.2. Documentation from 02/10/1993 document for Section 5 was reinstated
4	04/12/2000	Applied revised SAM template to meet current documentation standards. Added Section 2.10 on Property Custodian and Section 2.11 on Property Manager. This SAM was completely revised for the language to correspond to Property Management MAPPs which were produced to comply with Internal Audit Finding 99-20. This audit finding stated that university management must assign equipment responsibility to employees or position levels within the property management system in accordance with the provisions of the specific plan and timeline. Removed Form PRP-2A, and added revised Form PRP-2
5	06/12/2003	Applied revised SAM template to meet current documentation standards. Changed the parameters for items described in Section 2.1 and 2.2 from \$1,000 to \$5,000. Added information to Section 5.3 regarding lost property and employee being held financially responsible for the market value of the loss of property. Changed the review period from annually before June 1st to every three years on or before June 1st
6	06/16/2004	Applied revised SAM template to meet current documentation standards. Added PeopleSoft Account codes to Sections 2.1 and 2.2. Revision was part of an audit finding, removing Sections 6.2 and 6.3 regarding the requirement to report capital equipment losses as well as equipment recovery, to the State Auditor's Office, since the requirement was rescinded by the State Property Accounting Office effective June 15, 2001
7	08/31/2006	Applied revised SAM template to meet current documentation standards. Document was completely revised, adding Section 2's Policy Statement, removing all definitions except "Capital Assets," "Controlled Assets," "Property Management" and "Property Custodian." Sections 4 through 7 and Addendums were removed

Revision Number	Approval Date	Description of Changes
8	12/03/2010	Added information to Section 3.4 regarding Property Custodian guidelines and working with Information Technology for appropriate disposal of data processing equipment that is not capitalized or controlled. Removed Section 6, Indexing Terms
9	04/09/2015	Applied revised SAM template and added new Revision Log. No additional changes were required per the Subject Matter Expert (SME)
10	12/04/2015	Added examples of controlled assets to Section 3.2
11	02/14/2018	Changes to titles to reflect current operating requirements. No additional changes were made by the Subject Matter Expert (SME)