University of Houston

Property Management Guidelines

Objectives

- Policies and Procedures
- Why is Property Management Important?
- Definition of Assets & Thresholds (property) types – Capital vs. Controlled
- Expenditure Account Codes for Some Capital Assets
- Acquisition, Identification and Tagging of assets
- Dispositions of assets – Donations, Transfers, Trade-ins, Salvage, Obsolete, Lost, Missing, Stolen
- Roles and Responsibilities
- Annual Physical Inventory Verification
- PeopleSoft Asset Management System (PSAM) How to use as a Resource
- Property Management Forms (Updated effective 09/01/2022)
- Contact Information
- Q & A

Policies and Procedures

- **Texas Administrative Code 34 Chapter 5** §5.200
  https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=34&pt=1&ch=5&rl=200

- **State Property Accounting**
  https://fmx.cpa.texas.gov/fmx/spa/

- **SAM 03.E.02, Property Management**
  https://uhsystem.edu/compliance-ethics/_docs/sam/03/3e2.pdf

- **MAPP 03.03.01, Property Management**
  https://uh.edu/policies/_docs/mapp/03/030301.pdf

- **UH Main Campus Property Management Guidelines (Work-in-Progress)**
  https://uh.edu/office-of-finance/accounting-services/property-management/guidelines/

- **Forms Hyperlink**
  https://uh.edu/office-of-finance/accounting-services/property-management/forms/

- **FAMIS Work Order Request**
  https://famis.es.uh.edu:4443/ords/famisprd/SelfService.generateContainer1

Why is Property Management Important?

- State funded institution assets accounted for and properly maintained
- Be in compliance with Federal and State guidelines
- Accurate and timely records gives good audit results
- No reduction in appropriations
- Maximizes use of Resources
- Provides accurate insurable values
- Identify saleable/surplus assets
- Provide lowest inventory investment
- Proper stewardship of assets and supplies

Definition of Assets & Thresholds

- **Capital Assets** - Real or Personal Property that has an estimated life of greater than one year with a value equal to or greater than capital threshold established for the asset type.
  - o *Real Property* - Land, Building, Infrastructure, Construction in Progress.
  - o *Personal Property* - Furniture & Equipment, Vehicles, Boats, Aircraft, Library Books & Materials, Works of Art, Computer Software, intangible assets…etc.)

Class of Asset	Threshold	Expenditure Account Code	Class of Asset	Threshold	Expenditure Account Code
Tangible Assets			**Intangible Assets**		
Land and land improvements	$0	58XXX	Land use rights – permanent life	$0	58XXX
Construction in progress	$0		Land use rights – term life	$100,000	
Buildings and building improvements	$100,000		Computer software	$100,000	58611
Facilities and other improvements	$100,000		Internally developed computer software	$1,000,000	58611
Infrastructure, depreciable	$500,000		Other intangible capital assets	$100,000	58910 - 58911
Infrastructure, non-depreciable	$0				
Furniture and equipment	$5,000	58601 - 58603			
Vehicles, boats and aircraft	$5,000	58600 - 58616			
Other capital assets					
Library books/materials (collections)	$0	58900 - 58904			
Works of art and historical treasures	$0				
Leasehold improvements	$100,000	58XXX			
Livestock	$5,000				

Definition of Assets & Thresholds– *(continued)*

State Controlled Asset –Personal Property due to its <u>high risk nature</u>, and with a value, less than capital threshold.

State Controlled Asset Class	Threshold	Expenditure Account
Hand Guns, Rifles, Shotguns	$0	54354
Sound Systems, Portable Cameras, Television, Video Players, Recorders,	$500 to $4,999.99	54354
Computers, Laptops, Data Projectors, Smartphones, Tablets, Ipads, Unmanned Aerial Vehicle (UAV) Drones	$500 to $4,999.99	54355

Expenditure Account Codes For some Capital Assets

Expenditure Account	Capital Asset Description	Threshold (Unit Cost)
58600	Non-Passenger Motor Vehicles	5,000.00
58601	Furnishing/Equipment (Includes Golf Cart)	5,000.00
58602	Computer Equipment	5,000.00
58603	Telecommunications Equipment	5,000.00
58604	Application Software	100,000.00
58605	Fabricated Equipment	5,000.00
58610	Operating Systems	100,000.00
58611	DataBase Software	100,000.00
58615	Aircraft Acquisition	5,000.00
58616	Passenger Cars, Vans, and sport Utility Vehicles	5,000.00

Acquisition, Identification and Tagging

Property may be acquired via purchase (federal, state, local sources); constructed property; gifts or donations; debt financed instruments (capital leases, operating leases, bonds); transfers from a state agency; transfer from an external university, etc.,

Property Tagging

- Why – Ownership identification
- What – Capital and Controlled assets
- How – Barcode tags
- Who – Departmentt Property Custodian and/or Property Management Only
- Where –Visible to all
- Key Elements –Property assigned to a department; Physical Location (Obtained from Requisition/Purchase order/voucher or manual update via Asset Tagging Form)
- Federal Property requires a separate barcode tag that begins with 'G'

Donations Inbound - Must be approved in advance by University Advancement Office, and Property Management via Asset Update Form.)

Federal Loaned Equipment – Sponsored program, academic or research, must be approved by Division of Research. Use Asset Update Form and submit to Property Management

Disposition of Assets

Most commonly used disposition methods at UH are:

- **Surplus Property** - Surplus property is any personal property that is in excess of the needs of any department/college. Surplus property may be new, used or salvage.
- **Donations** - Only to Independent School Districts or other State Institutions. Must coordinate through Property Management. Receiving agency must request (on their letterhead) the specific property in advance of the donation. Departmental approvals are required.
- **Trade-in** -one property is acquired by the exchange of another property. A Department/College may offer surplus or salvage property as a trade-in on new property of the same general type if the exchange is in the best interest of the university. Prior approval from Property Management is required via 'Asset Update Form'
- **Inter-Agency Transfers** – Transfer of property to another state agency. Department/College must inform Property Management prior to transfer of the property via Asset Update Form.
- **Obsolete/Salvage** - Property which through use, time or accident becomes depleted, worn out, damaged and can no longer serve the purpose for which it was originally intended. Salvage property can be cannibalized or sent to Property Management for disposal.
- **Cannibalization** – Parts may be cannibalized from one asset to another to return to service. Prior approval from Property management is required via Asset Update Form.
- **Missing, Damaged, Stolen –** Property whose location cannot be accounted for due to undermined reasons. Property cannot be accounted for due to theft, burglary or other criminal acts.

Note: Federal equipment with 'G' tags shall not be cannibalized or disposed without approval from Division of Research and Property Management.

Roles and Responsibilities

Agency Head

- The agency head should ensure that the agency maintains adequate internal control procedures.
- Each agency head must designate a property manager.
- Complete the Notice of Agency Head and Designation of Property Manager. form (73-286) to inform the Comptroller's office of the designee

Property Manager
- The custodian of all property in the possession of the institution/agency.
- Responsible for maintaining the required records of physical inventory.
- Have update capabilities for all assets in PSAM system.
- Must maintain copies of the rules, procedures and other appropriate documentation for managing the institution's/agency's property as formulated by the Comptroller's office.
- Ensure that the procedures for accountability and safeguarding of the agency's property comply with Comptroller's office rules and requirements.

Roles and Responsibilities – (*continued*)

Department Property Custodian

- Ensure compliance with the inventory control procedures – safekeeping of capital and controlled assets (detailed in the Department Property Custodian form)
- Capital and controlled assets received (by means other than purchase) are reported to Property Management in a timely manner via "Asset Update Form"
- Property is not loaned, traded, discarded, moved or cannibalized without prior approval of Property Management.
- Property is not defaced or damaged in any way. If so, it is reported to Property Management in a timely manner via "Asset Update Form"
- Property is not returned to a vendor as a trade-in without approval of Property Management.
- Appropriate documentation on obsolete and excess property (capital and/or controlled only) is submitted to Property Management for approval prior to disposal.
- Equipment is used for its intended purpose by properly trained personnel
- Ensure property within the Department/College with the appropriate threshold is tagged and listed in the Departmental Inventory of Physical Property.
- All items located off-campus are documented in the "Off-campus Authorization Form"

Roles and Responsibilities – (*continued)*

Department/College Business Administrator

- Ensure correct use of expenditure account codes for capital and controlled assets
- Submit appropriate form for updates to change in Department Property Custodian.

Employee
- Use university property only for state purposes and to <u>exercise reasonable care</u> for its safekeeping.
- Submit and obtain 'Off campus Asset form' prior to taking any university property off-campus.
- Financially responsible in the event of loss, destruction or damage if the loss or damage results from negligence, intentional act or failure to exercise reasonable care to safeguard.

Annual Physical Inventory Verification

- Department Inventory Listing with instructions provided to conduct annual inventory verification.
  - **Elements included in the report are:**
    University Inventory Tag Number
    Asset Class
    Acquisition Date
    Description of the asset
    Location (department, building, and room number)
    Serial number, (when applicable)
    Historical cost of the asset

- **Verification with Barcode Scanner:**
  University Tag Number
  Location: Building; Floor; Room; Suite
  Off-Campus – Possession of the property verified with 'Off-campus Asset form'.
- **Complete and submit Certification of Annual Physical Inventory Form to Property Management.**

PeopleSoft Asset Management System (PSAM) – How to use as a Resource

* You can RUN as PDF and/or CSV (Excel) files

Property Management Forms (updated)
Effective 09/01/2022

During the Year:
- Asset Update Form
- Authorization for Off-Campus Assets(Initial; Returned property)
- Designation or Change of Department Property Custodian

Annually (Beginning of Fiscal Year)
- Designation or Change of Department Property Custodian
- Certification of Departmental Annual Physical Inventory
- Authorization for Off-Campus Assets (Initial; Renewal)

Property Management website will be updated on or before 08/31/2022

Property Management Contacts

Minhthu Pham – Property Manager
Phone: 713-743-8757
Email: Mpham@Central.UH.Edu

Victor Wongchukit – Assistant Property Manager
Phone: 713-743-8758
Email: Vwongchukit@Central.UH.Edu

Langston Royster – Accountant II
Phone: 713-743-8760
Email: LFRoyster@Central.UH.edu

Raymon Matthews – Coordinator
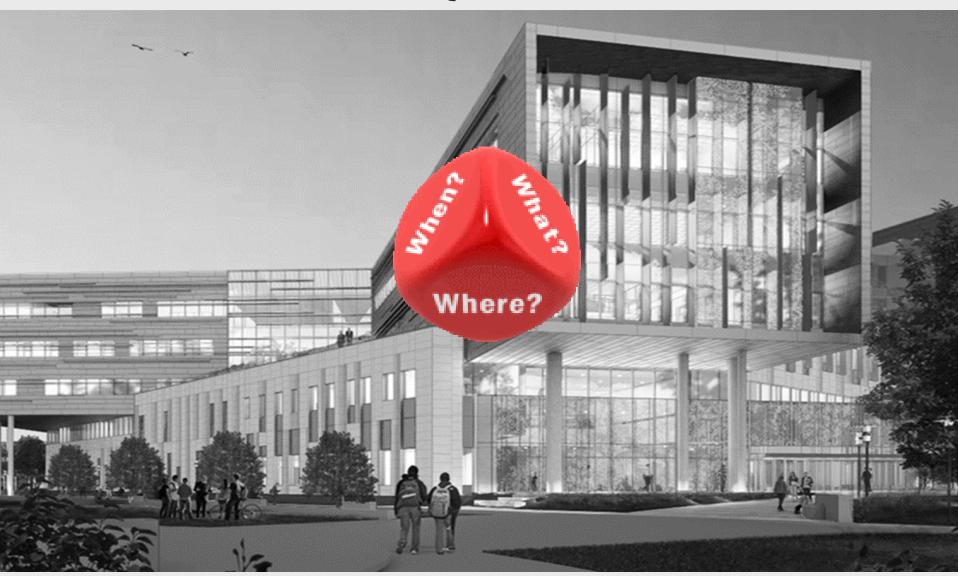Phone: 713-743-8759
Email: Rmatthews@Central.UH.edu

Michelle Nguyen – Accountant II
Phone: 713-743-8749
Email: mpnguye@uh.edu

Q & A

Thank you !