

PROPERTY MANAGEMENT

Objective:

To ensure the department/unit controls and properly accounts for capital and controlled assets

Note:

Capital property - Property valued at \$5,000.00 or more and having a useful life of at least one year

Controlled Property - State designated property that must be secured and tracked due to the high-risk nature of the items. The property is valued between \$500 and \$4,999 and has a useful life of at least one year. The specific assets include desktop and laptop computers, all firearms regardless of amount, stereo systems, cameras, video cameras, video recorder/laserdisc players, camcorders, television/VCR combinations, television sets, videocassette recorders, and data projectors

Potential Impact:

If capital and controlled assets are not properly accounted for, results in misappropriation of institutional assets and/or misstatement of institutional financial statements.

Helpful Tools:

- UH System Administrative Memorandum:
[03.G-.2 – Property Management](#)
- UH – Downtown Policy Statement:
[Property Management – 07.A.01 – Property Management](#)
- UHD Website:
[Property Management Accounting](#)

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Frequently Observed Weaknesses/Deficiencies:

- Lack of communication both internally within the department and externally to Property management regarding inventory moves
- Failure to transfer capital and controlled assets according to institutional policies and procedures
- Inadequate safeguarding of inventory
- Poor inventory tracking mechanisms within department
- Failure to surplus inventory items no longer needed
- Lack of physical verification of equipment
- Changes in the designated property custodian not reported to Property management

- Failure to properly sign out and account for property that is located off-campus

Best Business Practices:

1. Designate an individual(s) as property custodian, with the appropriate level of responsibility and authority needed to accomplish reliable inventory control for the department/unit. This individual(s) should be familiar with all Property management policies and procedures and be apprised of all inventory activity in the department/unit, i.e. moves, surplus, loss, etc.
2. Develop internal capital and controlled asset processes, and communicate these processes to all individuals in the department, including new hires.
3. Ensure individuals comply with internal inventory processes.
4. Ensure all equipment moves and transfers, as well as surplus of equipment are documented and reported correctly as required by institution policy.
5. Ensure all capital and controlled assets are tagged in a timely manner.
6. Provide adequate safeguarding of equipment.
7. Renew Off-Campus Removal agreements annually; (Note: The department and/or the individual may be held liable for loss of equipment while off-campus when a current loan agreement is not on file.)
8. Conduct annual inventory thoroughly and by physical verification of capital and controlled assets.
9. Investigate inventory discrepancies and report necessary adjustments to Property management in a timely manner.
10. Ensure inventory records reflect correct location and/or proper transfer of equipment purchased by a department/unit for use by another department/unit.
11. Consider performing inventory more frequently, i.e. mid-year. This has proven very useful for departments/units that have larger inventories.
12. Ensure inventory descriptions are accurate when assets are received and added to the department's inventory listing.
13. Contact UHD Police Department and Property Management when theft and/or loss of equipment occur.
14. Ensure capital and controlled asset documentation is maintained for identified UHS and/or institutional retention period.

AREA

This questionnaire is designed so that “no” answers indicate that an internal control weakness may exist and the procedure/process may need to be examined in greater detail. **Comments should be provided for “No” answers.** When such weaknesses are identified, a change in the process may be necessary OR a control may need to be put into place to address the weakness. The appropriate UHD contact office (as outlined in the self-assessment text) may be contacted for assistance with identified weaknesses.

Self-Assessment of Internal Controls for Contracts	Yes	No	N/A	Comments
Are employees familiar with Property management’s policies and procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does the department/unit have a designated property custodian?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
When the property custodian changes, is the change reported to Property management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are all employees, including new hires, provided communication on internal capital and controlled asset procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are all inventory changes (moves, surplus, etc.) coordinated through the individual designated for inventory control?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are items that are no longer needed processed as surplus?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is Property management notified when equipment is donated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is Property management notified regarding self-constructed assets that meet the minimum threshold of \$5,000?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does the department/unit ensure collection of all equipment on loan to an employee prior to termination or transfer (including cell phones and other wireless devices)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are all assets tagged in a timely manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are off-campus agreements renewed annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are equipment transfers handled appropriately? (Particularly grant funded inventory)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are all assets purchased with the appropriate cost	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

center and PeopleSoft Account?				
Is a physical inventory performed at least annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are inventory discrepancies researched and resolved?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are inventory discrepancies/changes provided to Property management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are inventory descriptions checked for accuracy when performing inventory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are assets properly safeguarded?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are loss, missing, and theft of equipment reported to UHD Police and Property Management when the discrepancy is discovered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

This is a living document and will be updated as revisions are necessary. Periodically, you may want to check for updates and revisions. We welcome any questions and feedback regarding the information contained in this tool including any comments regarding how this may be more useful and effective.