

Memo To: All UH-Downtown/PS Holders
From: Dr. Loren J. Blanchard, President
Subject: Property Management Acquisitions

UH-Downtown/PS 07.A.02
Issue No. 6
Effective date: 02/17/2023
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1. PURPOSE

This PS defines the means by which the University of Houston-Downtown acquires capital and controlled property and outlines the procedures regarding the recording of capital and controlled property acquisitions on the Property Management System.

2. DEFINITIONS

- 2.1 Capital Property: Property valued at \$5,000 or over that has an estimated useful life of at least one year.
- 2.2 Controlled Property: State designated property that must be secured and tracked due to the high-risk nature of the item. 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, smartphones, tablets, and other hand held devices, all firearms regardless of amount, stereo systems, cameras, video cameras, video recorder/laserdisc players, camcorders, television/VCR combinations, television sets, video cassette recorders, data projectors, and drones

3. POLICY

- 3.1 Capital and controlled property may be acquired by the university through the purchasing process, as loans from the federal government, via interagency transfers, or as gifts-in-kind. All capital and controlled property - regardless of its acquisition source, funding (state appropriations, local funds, or grants), or purchasing mechanism employed (purchase orders, direct vouchers, or service center requisitions) - must be accounted for through Property Management inventory records.
- 3.2 The term "purchasing" may also refer to the procurement of goods from an on-campus service/auxiliary department, such as a department which offers computers and computer parts to university customers. Property Management is notified of capital or controlled property purchases through copies of the purchase orders, vouchers, and service center requisitions made available by Accounts Payable and General Accounting.
- 3.3 Property Management inventories capital and controlled property on loan to the university. The department receiving loaned items must notify Property Management upon acquisition and provide the model, serial number, and location of the property. The title of the property remains with the lender. When the department has no further

need for this property, both the lender and Property Management must be notified immediately.

- 3.4 Title to any capital or controlled property purchased by UHD is vested in the university and the State of Texas. Property purchased with sponsored project funds is also subject to sponsor regulations regarding title. Title to property transferred from another government agency or educational institution is vested in UHD and the State of Texas unless the former owner notifies the university in writing of other arrangements or conditions. Title to donated property is vested in UHD and the State of Texas by virtue of the fact UHD is a state agency.
- 3.5 UHD is the sole agent to accept contracts and grants awarded to the university, and it is responsible for the disposal of any property furnished by those awards. Upon completion of a contract or grant, title to all property is transferred to the university immediately, unless the contract or grant requests title to remain with the sponsor. If a contract or grant is terminated, canceled, or transferred, the Office of the Vice President for Administration & Finance will work with the sponsor to determine the status of the property obtained.
- 3.6 When a department purchases non-maintenance, non-consumable items that enhance the functionality of existing equipment and increase its capital value, the purchase price of the item(s) is/(are) considered an "Added Cost" and capitalized. The modifications, attachments, and/or accessories should be permanently installed with a combined value of the original equipment and added cost at or exceeding \$5,000 to qualify for added cost capitalization. If the combined value of the original item and the added cost do not exceed \$5,000, the added cost should not be capitalized.
- 3.7 It may be necessary for a department to fabricate or assemble equipment in order to achieve the functionality of the capital or controlled property. Property Management must be notified of any such fabrications. All purchases of materials and components to be used in the construction and/or assembly of the fabricated equipment must be coded using property sub codes, regardless of the cost of the materials or components.

4. PROCEDURES

- 4.1 Capital or controlled property acquired from another state agency will be designated as a "transfer," and the change in ownership must be reflected on the property inventory records of both agencies.
 - 4.1.1 Transfers can involve either a purchase (i.e., the acquisition of police vehicles through the Department of Public Safety) or the uncompensated shift of surplus equipment from one state agency to another. The [Texas Surplus Property Agency](#) makes available all surplus equipment of the state, which may be acquired with permission of the departmental Property Custodian.

- 4.1.2 The United States federal government also makes available surplus equipment, which may be acquired with permission of the Property Custodian and the Property Manager.
- 4.2 Capital or controlled property received by departments as gifts from outside donors must be recorded in the Property Management System. Notification must also be sent to University Advancement. Departments considering the acceptance of gifts of property should contact the Development Office for specific guidance in this matter.
 - 4.2.1 All capital or controlled property received as gifts will be entered into the Property Management System with a value determined in one of the following manners:
 - 4.2.1.1 Invoices or other documents stating original cost
 - 4.2.1.2 Manufacturer price list
 - 4.2.1.3 Distributor and supply company catalogs
 - 4.2.1.4 Industry publications and trade journals
 - 4.2.1.5 Public records and tax assessment records
 - 4.2.1.6 Realtors, appraisers, and bankers
 - 4.2.2 All supporting documentation for valuing gifts of capital or controlled property will be maintained in the Property Management Office for the useful life of the items.

5. REVIEW PROCESS

Responsible Party (Reviewer): Property Manager

Review: Every three years on or before November 1st.

Signed original on file in the Office of Human Resources.

6. POLICY HISTORY

- Issue #1: 03/23/94
- Issue #2: 03/15/99
- Issue #3: 02/28/00
- Issue #4: 11/05/10
- Issue #5: 09/16/14

7. REFERENCES

Texas Surplus Property Agency