A8.505 State Personal Property

1. Purpose

To establish procedures for the management and control of nonexpendable personal property hereafter defined as inventorial property owned by or in the custody of the Board of Regents of the University of Hawai‘i.

To satisfy the requirements of the Federal government for control over government property, as hereafter outlined in this Section and APM A8.525, Federal Personal Property, for which the University is responsible and accountable.

2. Definitions

The following definitions pertain to this Section and APM A8.525.2, Definitions, Federal Personal Property:

Account Code - The six-digit code representing a functional program/unit used to record, classify, and report.

Account Custodian - The individual responsible for maintaining continuous records, periodically reporting location and condition, conducting annual physical inventory, insuring proper usage, safekeeping, and maintenance of all property. The principal investigator, who is the academic or administrative staff member responsible for initiating and conducting research, training, or public service projects, is normally the account custodian for the extramurally funded award.

Acquisition Cost of Nonexpendable Personal Property - The net invoice unit price of equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it is acquired. Other charges, such as the cost for installation, transportation, taxes, duty or protective in-transit insurance, shall be included in the unit acquisition cost in accordance with University accounting practices.
**Code-9099 Location** - The code used when no specific location code has been assigned to a building that is not a major facility (i.e., a shed, small barn), a facility not located on University property (i.e., facility located in a foreign country) or to designate the physical location of the property. Code 9099 should be accompanied by the name/address of the location so that the item will appear on a separate page on the inventory printout.

**Component** - A part of a system or fabrication. System components may be auxiliary or accessory items.

**Controlled Items** - Any personal property of a sensitive or theft prone nature which is controlled notwithstanding cost. Examples are: Camera & camera lens, binoculars, microscopes, audio-video recorders, televisions, personal computers, computer monitors, typewriters, etc.

**Custodial Department** - The department or unit of the University having physical control of property; i.e., using department or sponsoring department for a contract or grant.

**Decal Number** - The unique University of Hawai'i control number assigned and affixed to the asset, when possible, for identifying an item or property which is supported by record of cost, location, custodian, etc. Exemption: Vehicles and boats which have a special University of Hawai'i identification number.

**Disposal** - To exercise finally, in any manner, the power of control over property; to pass or part with by UH Form 76, Disposal Application, in relieving custodial responsibility.

**Donated Equipment** - Any equipment given, bequeathed, devised or granted to the University of Hawai'i by a public or private organization or by an individual for an expressed purpose and for other restricted or unrestricted purposes. Such equipment shall be reported, controlled, and maintained under this Section, including APM A8.720, Procedures for Receiving and Recording Gifts and Grants.

**Equipment** - Any item of personal property that meets the capitalization criteria of APM A8.550, Capitalization. Equipment and Personal Property are used interchangeably throughout this Section and APM A8.525, Federal Personal Property. Personal property is the broader term and includes equipment and material, but does not include real property.

**Excess Property** - Property with a remaining useful life which is no longer required by a department, but not necessarily excess to the University's systemwide needs and is subject to screening, transfer, or disposal action.
Fabricated Equipment - Equipment which has been or is in the process of being fabricated by a department. The cost assigned to the equipment is the total of its component parts, plus labor.

Found Equipment - Equipment discovered by the Custodial Department or individual conducting the annual physical inspection, which does not appear on the inventory records. (In reporting such items, estimated value must meet the capitalization criteria of APM A8.550, Capitalization.)

Grouped-Items - Physically or functionally identical items in the same inventory location. Examples are: Chairs, beds, and tables.

Inventorial Equipment or Inventorial Property - Nonexpendable, tangible, personal property which meets the capitalization criteria of APM A8.550, Capitalization.

Leased Equipment - Equipment acquired by the University of Hawai’i under a lease or rental agreement with a vendor.

Loan Equipment - Equipment which is either borrowed by the University from an external agency or one University Department from another; or loaned by the University to an external agency or individual that is approved by the Department Head with mandatory notification to the Inventory Management Section.

Materials/Supplies - All personal property including consumables, not classified as equipment or a grouped item.

Non-Inventorial Personal Property - Property that is expendable, consumable, or parts of buildings and structures such as electric distribution systems, central air conditioning systems, elevators, etc.

Personal Property - Property of any kind except real property (land, land improvements, structures). It may be tangible -- having physical existence, or intangible -- having no physical existence, such as patents, inventions, and copyrights.

Personally-Owned Equipment - Title vested with an individual and for which the University of Hawai’i assumes no responsibility for its loss, repair, or maintenance.

Property Administrator - The Property and Fund Management Office (PFMO) is responsible for the management and control of all property in which the title is vested with the Federal Government, the University, or other agencies.
Sale or Trade-In Equipment - Surplus University-owned property which may be offered for sale or trade-in.

Salvage - Property that, because of its worn, damaged, deteriorated, or incomplete condition, has no reasonable prospect of sale or use as serviceable property without major repairs or alterations, but which has some value in excess of its scrap value.

Scrap - Property that has no reasonable prospect of sale except for the recovery value of its basic materials content.

Sold Property - University-owned property sold to external agencies. It does not mean property transferred to another department or campus.

Surplus Property - Any property that no longer has any value to the University or to the State.

Traded-In Property - University-owned property which has been traded-in for the purchase of new equipment.

Transfer - Assigning Custodial responsibility by UH Form 19, Equipment Transfer/Storage Memorandum, to another custodian or account; movement of property to another location within the same account.

3. Objectives

To assure that the University's personal property accounting system is responsive to both State and Federal requirements.

To provide for identifying all nonexpendable personal property by item description, control number (decal), cost, location, departmental custodian, ownership, and other essential information for effective inventory, control, accounting, disposal, and reporting purposes.

4. Applicability/Responsibilities

The Board of Regents, as a constitutionally established independent corporation, is responsible for all personal property to which it holds title. Custodial responsibility for other personal property is vested with the Board of Regents to the extent that it has explicitly agreed to accept responsibility therefor.

The Board of Regents, by authority of Section 304.2(2), Hawai‘i Revised Statutes, can acquire both real and personal property and can hold, maintain, use, operate, sell, lease, and dispose of same whenever appropriate.
The University, notwithstanding the authority of the Board of Regents, is accountable for all property acquired and disposed of during the year since the inventory made as of the last preceding July 1. Chapter 103D, Hawai‘i Revised Statutes, requires the University to submit a detailed accounting certificate to the State Comptroller annually on or before September 15.

The University of Hawai‘i President, Senior Vice President for Administration, and the Director of Financial Management and Controller, has redelegated the responsibility for the management and control of inventorial personal property to the Manager of the Property and Fund Management Office (PFMO).

The Manager of the PFMO has systemwide responsibility to implement and administer the provisions of this administrative procedure and to establish and maintain accounting records and procedures necessary to meet both State and Federal requirements. The Manager shall inform all members of the faculty and administrative officers of their obligations for the use, care, maintenance, and safekeeping of all personal property under the control of their respective departments or units. The Manager shall issue written instructions relating to acquisition, use, and disposition of inventorial property and government property for which the Board of Regents is responsible. The Manager shall provide for maximum use of all property.

Department Heads, Directors, Principal Investigators, or Fiscal Officers are delegated as responsible custodians when assigned a property account(s). Account custodians have responsibility for direct control, use, care, maintenance, and safekeeping of all personal property for their respective departments or units. Further, they shall maintain and control the physical location, account records, and assure the security of the property to accurately support the University's centralized accounting records.

During the absence of an account custodian, for whatever reason, the responsibility for the control, maintenance, and custody of University and Federally-owned property is vested with the Department Head or Director, which acquired the property. Such responsibility includes property acquired for use on a research, training, or public service project by a Principal Investigator during the project or thereafter until the account has been satisfactorily closed out. Department Heads or Directors, however, may assign administrative functions to department staff personnel in the accomplishment of custodial responsibilities.
The Department Head or Director is responsible for assuring that Principal Investigators meet University or Federal requirements for the proper and timely transfer of custodial accounts when a Principal Investigator goes on sabbatical, leave, or transfers to another department, institution, or when employment is terminated.

Basic custodial responsibilities include but are not limited to:

a. Identification and location of all University property purchased for, or assigned to, their respective departments.

b. Receiving and inspecting delivered goods and submitting the Receiving Report to the Disbursing Office in a timely manner.

c. Providing accurate information to the Inventory Management Section by updating and returning the Report 1112, Annual Equipment Inventory Report, by the required annual inventory date and the Report 1114B, Equipment Acquisition Report, if any discrepancy is noted on new acquisitions.

d. Safeguarding and controlling property.

e. Preparing and submitting to the Inventory Management Section the following forms:

1) UH Form 19, Equipment Transfer/Storage Memorandum, for any transfer of personal property (Attachment A).

2) UH Form 76, Disposal Application (Attachment B), for action to sell, exchange, or otherwise dispose of personal property and to identify its present condition.

3) Form RMP-001, Report of Loss or Damage of State Property, for making claims involving burglary, theft, robbery, loss of cash, damage, destruction, disappearance (Attachment C).

Note: This form must be submitted along with UH Form 76 when making a claim for lost, stolen, or destroyed property.
4) UH Form 28, *Special Bulk Inventory Worksheet* (Attachment E).

5) UH Form 29, *Consolidated Special Inventory Report* (Attachment F).

6) UH Form 30, *Temporary Off-Campus Use of University-Owned Property by a University Employee* (Attachment G).


8) AGS Form 18, *State of Hawai‘i Transfer of Property* (Attachment K).

5. **Determination of Inventorial Property - Exceptions**

   **a.** The following exceptions have been established on a systemwide basis:

   1) Weapons such as handguns, rifles, shotguns, and other explosive devices, regardless of cost.

   2) Small attachments, accessories, or auxiliary apparatus initially acquired with and needed to put an inventorial equipment unit into operation.

   3) Grouped items.

   4) Materials under a contract or grant where special requirements are established.

   **b.** The following property is non-inventorial:

   1) Consumable or expendable supplies.

   2) Glass, cloth, and rubber products.

   3) Parts of buildings and structures permanently built in or installed and the removal of which would impair the building or structures.

   4) Attachment to buildings, such as wiring, electrical fixtures, heating systems, air conditioning systems, plumbing systems, boilers, and elevator systems that are capitalized as real property (buildings).

   5) Replacement parts that do not extend the life or increase the value of the equipment.