

Prepared by Property and Fund Management Office  
This replaces Administrative Procedure A8.505  
dated December 1996.

A8.505

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A8.505 State Personal Property

June 2001

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A8.505 State Personal Property

1. Purpose

To establish procedures for the management and control of non-expendable 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 subsidiary ledger code representing a functional program/unit used to record, classify, and report.

Acquisition Cost of Non-Expendable Personal Property - The net invoice unit price of property, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property useable 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.

Asset Number - A system-generated number assigned to an asset record when it is created in the Fixed Assets System (FFX). The asset number may contain up to ten digits.

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

Controlled Items - Tangible personal property of a sensitive or theft prone nature which is not capitalized and meets the criteria set forth in APM A8.550, Capitalization. Examples are: Cameras, microscopes, audiovisual recorders/players, televisions, personal computers, monitors, printers, 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.

Disposal - To pass or part with by form FMIS-76, Disposal Application, in relieving custodial responsibility when an asset is sold, lost, obsolete, damaged beyond economic repair, etc.

Donated Property - Any property 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 property shall be reported, controlled, and maintained under this section, including APM A8.620, Gifts.

Equipment - Any tangible, non-expendable personal property that is capitalized and meets the criteria set forth in APM A8.550, Capitalization.

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 Property - Property which has been or is in the process of being fabricated by a department. The cost assigned to the property is the total of its component parts, plus labor.

Found Property - Property discovered by the custodial department or individual conducting the annual physical inspection which does not appear on the inventory records. In reporting such property, estimated value must meet the capitalization criteria set forth in APM A8.550, Capitalization.

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

Inventorial Property - Non-expendable, tangible, personal property which meets the equipment or controlled property criteria set forth in APM A8.550, Capitalization.

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

Loaned Property - Property 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.

Location Code 9099 - The code used to designate the physical location of the property when no specific location code has been assigned to a building that is not a major facility (i.e., a shed, small barn) or a facility not located on University property (i.e., facility located in a foreign country). Location code 9099 should be accompanied by the name/address of the location for recording into the "Other Location" data field in the asset record.

Materials/Supplies - All personal property including consumables not classified as equipment, controlled property, 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 Property - Property in which the title vests 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 University, the Federal Government, or other agencies.

Property Custodian - The individual responsible for maintaining continuous accurate 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 property custodian for the extramurally funded award.

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 - Surplus University-owned property sold to an external agency.

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

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

Transfer - Assigning custodial responsibility of an asset via form FMIS-74, Equipment Transfer, to another custodian or account; movement of property to another physical location.

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 non-expendable personal property by item description, control number (decal), cost, location, 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 recorded 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, have 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 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 the acquisition, use, transfer, 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 property account(s). Property 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 a property 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 of a research, training, or public service project by a Principal Investigator during the project or thereafter until the project 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 and Federal requirements for the proper and timely transfer of custodial accounts when a Principal Investigator goes on sabbatical or leave, transfers to another department or 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 processing the payment for such goods in a timely manner.

- c. Reporting inaccurate information to the Inventory Management Section for any errors found on the THDR030D, Acquisition Report By Fiscal Officer, and on the THMU300A, Annual Inventory Verification Report, via a memorandum or the form FMIS-74, Equipment Transfer, as appropriate.
- d. Safeguarding and controlling property.
- e. Preparing and submitting to the Inventory Management Section the following forms:

- 1) FMIS-74, Equipment Transfer, for any transfer of personal property (Attachment A).
- 2) FMIS-76, Disposal Application, for action to sell, trade-in, salvage, or otherwise dispose of personal property (Attachment B).
- 3) Form RMP-001, State of Hawai'i Report of Loss or Damage of State Property, for making claims involving burglary, theft, robbery, damage, destruction, or disappearance (Attachment C).

Note: This form must be submitted along with FMIS-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).
- 7) UH Form 31, Equipment Loan and Indemnification by Non-University Personnel (Attachment H).
- 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 to make the inventorial property useable for the purpose for which it was acquired.
  - 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) Attachments 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 property.