MANAGING UNIVERSITY ASSETS POLICY

Category: Procurement, Financial
Responsible Office: Financial Management
Responsible Executive: Vice President for Finance and Administration
Date Established: 02/01/12
Date Last Updated: 01/25/19

Summary

This policy outlines the requirements for identifying and recording university assets and establishes guidelines for asset security and accountability.

Policy

POLICY STATEMENT

The University at Buffalo (UB, university) has a significant investment in assets and is committed to recording, maintaining, and safeguarding these assets against loss. Asset Management is responsible for the centralized accounting and timely reporting of university assets; the department of the primary user of the asset is responsible for the proper use and protection of assets in their custody.

The university utilizes the State University of New York (SUNY) Real Asset Management (RAM) system to maintain asset details and accurately record:

- Acquisition of assets costing $5,000 or more and the assigned bar-coded inventory tag numbers
- Acquisition of sponsor-defined equipment and the assigned bar-coded inventory tag number
- Change in asset status (e.g., transfer to another department, change in room location, theft, disposal)
- Change in asset condition (e.g., good, fair)

All higher-risk equipment costing less than $5,000 requires a non-bar-coded UB identification tag affixed, to establish UB ownership. Departments must maintain records and periodically spot-check this equipment to verify their existence and condition.

Physical Inventory

Departmental asset coordinators must physically locate and reconcile the assets maintained in RAM and report changes to Asset Management at least once every two years.

New Assets

All assets with an original cost of $5,000 or more (purchase price less discounts plus freight and installation costs) and a life expectancy of more than one year must be recorded in RAM when the asset is placed into service. This applies to assets acquired through purchase, donation, or lease-purchase arrangement.
Donated Assets

The UB Foundation (UBF) will report all gifts over $5,000 to be recorded as assets to Asset Management. Proposed gifts and bequests must be reviewed to determine that restrictions or limitations governing the gift or bequest can be met. When an item is gifted to your department, contact your department’s development officer to complete the Gifts of Personal Property Form. The form must be signed by the donor and an authorized representative for the department receiving the gift of personal property.

The following information must be forwarded to UBF:

- Approximate market value of the gift
- General description of the gift
- Restrictions attached to the gift
- Correspondence or documents from the donor or estate attorney, if a bequest is involved

Fabricated Assets

When assets are constructed by assembling materials and parts purchased through several purchase orders, the department or principal investigator (PI) must notify Asset Management of the existence of the asset.

A listing of the purchase orders, receipts for the parts, and applicable labor used to assemble the asset must be provided to Asset Management by completing the Fabricated Asset Questionnaire.

If the assets were purchased with Research Foundation (RF) funding, approval from the sponsor and a cost transfer request may be required.

The purchase price (less discounts plus freight) of the parts, as well as applicable labor costs to build the asset, must be recorded in RAM once the asset is built and placed into service.

Asset Tagging

All newly purchased assets costing $5,000 or more and all sponsored-defined equipment must have a bar-coded inventory tag affixed within 90 days of final payment.

Higher-risk equipment costing less than $5,000 must have a non-bar-coded UB identification tag affixed. Non-bar-coded identification tags can be obtained from Asset Management. Department specific non-bar-coded identification tags may also be used with approval from Asset Management.

Ownership

Ownership of all assets acquired with State, RF, or UBF funds is vested with the respective entity and not the individual faculty or staff member. This includes assets purchased:

- By an individual for which the cost was reimbursed
- Using a university procurement method such as a purchase order, Procurement Card (PCard), or any eProcurement method
**Split-Funding**

When state funds (even as little as $1) are used toward the purchase of university assets, title vests with the state and the asset will be recorded in RAM as a state asset if the cost is $5,000 or more. Therefore, it is important to determine funding source and sponsor policy regarding title or ownership of assets when considering split-funding for an asset. Purchases may be split only if sponsor policy allows title to the assets to ultimately vest with the RF or state. If title must vest with the sponsor, the purchase may not be split.

**Transfer of Research Foundation (RF) Property**

When a PI leaves UB and wishes to transfer sponsored awards or assets purchased with grant funds to another institution, Sponsored Projects Services (SPS) must be contacted to discuss the transfer. All university approvals must be obtained before assets may be transferred.

The PI must:

- Obtain approval for the transfer from the department chair and unit business officer (UBO) and dean
- Contact the departmental asset coordinator to provide Asset Management with a list of the assets intended to be transferred

Asset Management must:

- Confirm sponsor allowability with SPS
- Prepare the **RF Property Status Change Request Form** and forward to the PI, chair, and RF Operations Manager (OM) for review and approval
- Provide the completed form to RF Central Administration when required
- Record the inventory changes in RAM

**Transfer of State Property**

Transfers between state agencies (i.e., SUNY) are permitted. Asset Management must be notified in advance of any intended transfer to or from another state agency and will coordinate the transfer.

When faculty or staff leave UB and wish to transfer assets purchased with state funds to another state agency, Asset Management must be contacted to discuss the transfer. Assets purchased with state funds may be transferred only to another state agency.

The faculty or staff member must:

- Obtain approval for the transfer from the departmental chair, UBO, and dean
- Request the departmental asset coordinator to provide Asset Management with a list of the assets intended to be transferred

Asset Management must:

- Confirm allowability with SUNY System Administration
- Retain approval documentation
- Record the inventory changes in RAM
Transfer of UB Foundation (UBF) Property

When faculty or staff leave UB and wish to transfer assets purchased with UBF funds to another institution, UBF must be contacted to discuss the transfer. All university approvals must be obtained before assets may be transferred.

The faculty or staff member must:
- Obtain approval for the transfer from the department chair, UBO, and dean
- Request the department asset coordinator to provide Asset Management with a list of the assets intended to be transferred

Asset management must:
- Confirm sponsor allowability with UBF
- Retain approval documentation
- Record the inventory changes in RAM

Security

Departments must secure university property in their custody and document their methods to:
- Communicate the importance of building and room security to all members of the department (faculty, staff, and students)
- Maintain key control and an inventory of keys
- Tag higher-risk equipment costing less than $5,000 with a non-bar-coded UB identification tag
- Track higher-risk equipment removed from campus
- Complete and maintain a Property Removal Authorization Form for all assets recorded in RAM that are removed from campus

Status and Condition of Assets

All assets must be assigned the following codes when they are entered into the RAM system by asset management:
- Double-digit numeric code to indicate the asset’s current status
- Single alpha code to indicate the asset’s current condition

<table>
<thead>
<tr>
<th>Status Code</th>
<th>Status Description</th>
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<tbody>
<tr>
<td>01</td>
<td>In-use</td>
</tr>
<tr>
<td>02</td>
<td>On Loan – Out</td>
</tr>
<tr>
<td>03</td>
<td>In Storage</td>
</tr>
<tr>
<td>04</td>
<td>Surplus</td>
</tr>
<tr>
<td>05</td>
<td>Under Repair</td>
</tr>
<tr>
<td>06</td>
<td>Not in Use</td>
</tr>
<tr>
<td>07</td>
<td>Antiques and Artwork</td>
</tr>
<tr>
<td>08</td>
<td>Shared Utilization</td>
</tr>
<tr>
<td>09</td>
<td>Excess to Needs</td>
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<tr>
<td>10</td>
<td>Loan – In</td>
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<tr>
<td>-----</td>
<td>-----------</td>
</tr>
<tr>
<td>11</td>
<td>Operating Lease</td>
</tr>
<tr>
<td>12</td>
<td>Obsolete</td>
</tr>
<tr>
<td>13</td>
<td>Re-Inventory</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Condition Code</th>
<th>Condition Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>E – Excellent</td>
<td>New or used property in excellent condition that is slightly shopworn or soiled, but utility is not impaired</td>
</tr>
<tr>
<td>G – Good</td>
<td>Used property, maintained regularly, minor repairs made as required</td>
</tr>
<tr>
<td>F – Fair</td>
<td>Used property that is shopworn, deteriorated or damaged to the extent that utility may be impaired</td>
</tr>
<tr>
<td>P – Poor</td>
<td>Used property in poor condition, badly worn, broken, soiled, rusted, deteriorated and damaged. Utility seriously impaired</td>
</tr>
<tr>
<td>S – Scrap</td>
<td>Used property that has no present or future utility, cannibalized for parts, repairs not contemplated</td>
</tr>
</tbody>
</table>

Department asset coordinators must notify Asset Management when the status or condition of an asset changes.

**Moving University Assets**

Departments or departmental asset coordinators must notify Asset Management if assets are moved to a new location so that assets are appropriately tracked within RAM as required by state and federal policy.

**Possession Changes and Disposal Options**

The chart summarizes possession changes and related disposition options for assets and higher-risk equipment purchased with State, RF, or UBF funds. Refer to the [Asset Management at UB](https://www.ub.edu/) webpage for procedural details and applicable approvals.

<table>
<thead>
<tr>
<th>Possession Changes</th>
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<tbody>
<tr>
<td><strong>Disposal Options</strong></td>
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<tr>
<td></td>
</tr>
<tr>
<td>Disposal</td>
</tr>
<tr>
<td>Donation/Sponsorship</td>
</tr>
<tr>
<td>----------------------</td>
</tr>
<tr>
<td>Loan</td>
</tr>
<tr>
<td>Sale</td>
</tr>
<tr>
<td>Transfer</td>
</tr>
<tr>
<td>Trade-in</td>
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<tr>
<td>UB SWAP</td>
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<tr>
<td>Guidance</td>
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</tbody>
</table>

**Disposal of University Assets**

When a department wants to dispose of an asset or higher-risk equipment that is no longer useful, the available options depend on the condition and funding source used when the asset was purchased.

If the asset was purchased with State funds, and is in fair to excellent condition, the following programs should be used:

- **Department Directed:**
  - UB SWAP

Asset Management Directed:

- SUNY Property Control Listserv
- New York State (NYS) Website

If the asset was purchased with RF or UBF funds, UB SWAP should be utilized first; the SUNY Property Control Listserv and NYS website may also be used, but are not required.

If all options for transfer of the item have been exhausted or if the item is in poor, scrap, or obsolete condition the item may be disposed.

1. Complete a Disposal of Equipment Form and have it signed by the department asset coordinator and the chair or department head.
2. Contact UB Facilities to place a work order to have the item picked up and disposed.
3. Scan and email the signed form to Asset Management to remove the asset from the inventory.
If there is a large amount of equipment to be disposed, a departmental spreadsheet may be used in place of the *Disposal of Equipment Form* with prior authorization from Asset Management.

### Asset Removal from Campus

University assets (over $5,000) recorded in RAM may be removed from the campus for university business use with an approved *Property Removal Authorization Form*.

University assets not recorded in RAM (under $5,000) may be removed from campus for university business use as long as the department maintains a method to record and track these assets. Property to be tracked includes portable electronic devices transported back and forth (e.g., cell phones, laptops). Tracking methods may include:

- A file of *Property Removal Authorization Forms* for all assets removed from campus
- A department maintained list, spreadsheet, or report that includes the following: borrower’s name, asset description, model, and serial number when available

### Compliance

Asset Management will request information about new assets to maintain the accuracy of RAM. Failure to respond to these requests will be escalated as follows:

<table>
<thead>
<tr>
<th>From Date Assets Received</th>
<th>Response From Asset Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30 Days</td>
<td>Reasonable response time; no further action from Asset Management</td>
</tr>
<tr>
<td>Over 30 Days</td>
<td>Second email request sent to departmental asset coordinator with copy to UBO</td>
</tr>
<tr>
<td>Over 60 Days</td>
<td>Third email request sent to departmental asset coordinator with copy to UBO, dean, and RF Operations Manager</td>
</tr>
<tr>
<td>Over 90 Days</td>
<td>Memo sent to department with copy to Procurement, UBO, dean, and RF Operations Manager</td>
</tr>
<tr>
<td></td>
<td>Procurement will restrict the department’s ability to purchase new assets until information on existing assets is received</td>
</tr>
</tbody>
</table>

Departments may request an exception through the University Controller if compliance with this policy is not feasible or technically possible or modification is necessary to support a business function.

A violation (e.g., improper disposal of assets, failure to respond to repeated requests for information, theft, misuse of high-risk equipment or assets) of this policy may subject the user to disciplinary action. In violations such as theft (over $5,000) or fraud (over $5,000) civil penalties, or criminal prosecution may be necessary. Asset Management will review all alleged violations on a case-by-case basis and pursue recourse, as appropriate, through University Police and Human Resources.
BACKGROUND

The University at Buffalo utilizes the SUNY Real Asset Management (RAM) system to maintain the inventory of State, RF, and UBF assets. RAM facilitates proper and timely reporting of asset transactions and safeguards against loss.

APPLICABILITY

This policy applies to all State, RF, and UBF assets and high-risk equipment.

DEFINITIONS

Asset—property costing $5,000 or more that may be used repeatedly without any material impairment of physical condition and which has a probable life expectancy of one or more years, including machinery, vehicles, software, and apparatus. Cost includes the price less any discounts, plus all freight and installation charges; cost does not include warranty, training, maintenance, or trade-in costs. Assets for this purpose do not include fixed building equipment such as heating, ventilating, plumbing, and electrical equipment.

Bar-Coded Inventory Tag – a decal containing the RAM asset number and the name of the entity to which title vests (i.e., State, RF, or UBF).

Departmental Asset Coordinator – individual appointed by the department head to maintain the department’s asset inventory, track equipment transfer and disposal, and monitor physical security of assets.

Higher-Risk Equipment – UB property costing less than $5,000 having a greater potential for theft or that may be easily removed from campus (e.g., portable electronic devices including laptop computers, cameras, projectors), and any equipment removed from campus. Cost includes the price less any discounts, plus all freight and installation charges; cost does not include warranty, training, maintenance, or trade-in costs.

Ownership – the university has ownership of all assets purchased or reimbursed with State, RF, or UBF funds, transferred, or otherwise acquired unless specifically stated by a sponsor.

Real Asset Management (RAM) – SUNY-wide inventory system used for the purpose of tracking assets. Assets costing $5,000 or more must be entered and maintained in RAM.

Split-Funding – funding the purchase of an asset with monies from multiple sources or sponsors.

Sponsor-Defined Equipment – RF property costing less than $5,000 and purchased with funds from a sponsor who requires assets to be inventoried at a lower dollar level. These assets are entered and maintained in RAM.

Title – title will vest with the entity (i.e., State, RF, UBF) that funded the purchase unless otherwise specified in the terms of a sponsor agreement.

UB Identification Tag – non-bar-coded decal that reads “Property of University at Buffalo” and is affixed to higher-risk equipment costing less than $5,000.
UB Swap – website listing surplus assets and supplies available to university departments.

RESPONSIBILITY

Asset Management, Financial Management
- Manage and maintain the centralized accounting and reporting of university assets in RAM.
- Review and approve costing for fabricated assets.
- Affix bar-coded inventory tags to appropriate assets.
- Issue non-bar-coded UB identification tags to departments for placement on higher-risk equipment.
- Approve assets to be transferred or sold.
- Manage the biennial inventory process including the preparation and collection of the asset workbooks to all departments.
- Perform a routine partial physical inventory at least annually.
- Identify stolen assets that were recorded in RAM and report as appropriate.
- Review purchases to identify new assets.
- Report the loss, theft, or misuse of State assets with an original cost in excess of $1,000 to the Office of the State Comptroller and the SUNY Controller’s Office on a quarterly basis.

Chairs, Department Heads, University Business Officers (UBOs)
- Promote proper use and protection of all university property in their custody.
- Appoint an asset coordinator.
  - Determine that the duties of the asset coordinator are performed.
- Approve the removal, disposal, or transfer of assets.
- Properly dispose of university assets.
- Assist with compliance of non-responding departments.
- Report the theft, loss, or misuse of assets to University Police.

Departments, Departmental Asset Coordinator
- Provide asset management with necessary information regarding new assets when requested.
- Report asset location changes to Asset Management on a timely basis.
- Affix UB identification tags to higher-risk equipment costing less than $5,000 and any equipment removed from campus. Periodically spot-check to verify their existence and condition.
- Maintain a current record of property located off-campus including description, bar-coded asset tag number (if applicable), location, and person responsible for the property.
- Assist Asset Management in locating assets when necessary.
- Perform a physical inventory of assets at least every two years and review workbook for accuracy and completeness and return the report to Asset Management by the date requested.
- Obtain advance approval from Asset Management for the transfer or sale of equipment.
- Report the theft, loss, or misuse of assets to University Police.
- Properly dispose of university assets.
- Secure university assets within the custody of the department.
• Notify Asset Management of fabricated assets including details supporting the purchases which make up the asset.
• Document methods to communicate the importance of building and room security to all members of the department (faculty, staff, and students).
• Maintain key control and an inventory of keys.
• Document the process for tagging higher-risk equipment costing less than $5,000 with a non-bar-coded UB identification tag.

Research Foundation Operations Manager (OM)
• Approve the transfer or sale of RF assets.
• Assist with compliance of non-responding departments.

Procurement
• Restrict asset purchases upon receipt of memo from Financial Management.

University Controller
• Approve exceptions for departmental compliance.
• Approve memo restricting asset purchases for non-compliance.

University Police
• Report theft of assets to Financial Management and Asset Management.

Contact Information

<table>
<thead>
<tr>
<th>Contact</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Management</td>
<td>716-645-2619</td>
<td><a href="mailto:Ubs-assetmanagement@buffalo.edu">Ubs-assetmanagement@buffalo.edu</a></td>
</tr>
</tbody>
</table>

Related Information

University Links
Asset Management
http://www.buffalo.edu/administrative-services/managing-procurement/ub-asset-management.html

Asset Management at UB
https://www.buffalo.edu/administrative-services/managing-procurement/ub-asset-management/asset-management.html

UB Swap
http://www.buffalo.edu/administrative-services/managing-procurement/ub-asset-management/ubswap.html

Forms
Disposal of Equipment Form

Fabricated Asset Questionnaire
http://www.buffalo.edu/administrative-services/forms-catalog/procurement/fabricated-asset-questionnaire.html

Inventory Data Change Form
http://www.buffalo.edu/administrative-services/forms-catalog/procurement/inventory-change-from.html

Property Removal Authorization Form

Research Foundation Property Status Change Request

University at Buffalo Foundation Gifts of Personal Property Form
http://www.buffalo.edu/administrative-services/forms-catalog/procurement/ubf-gift.html

Related Links

Research Foundation Equipment Capitalization Policy
http://www.rfsuny.org/media/rfsuny/policies/capitalization_pol.htm

Research Foundation Property Management Handbook

State University of New York Procedures for Reporting Theft, Loss or Misuse of State Assets, Document 9000
https://www.suny.edu/sunypp/documents.cfm?doc_id=556

State University of New York Property Control System Manual, Document 7595
http://www.suny.edu/sunypp/documents.cfm?doc_id=601
Revision History

January 2019  Full review. Updated the policy to:
- Change the title of the policy from Managing University Equipment to Managing University Assets
- Revise terminology from equipment to asset
- Add sections to address physical inventory, new assets, fabricated assets, status and condition of property, moving property
- Add links to the following forms:
  Fabricated Asset Questionnaire
  UBF Gifts of Personal Property

May 2016   Full review. Updated the policy to:
- Replace the term high-risk equipment with higher risk items
- Revise terminology
- Clarify State equipment loans in the Possession Changes and Disposition Options table

February 2015  Updated to clarify the Ownership/Possession Changes section and High-Risk Equipment definition allowing the removal of equipment from campus only for business use.

Presidential Approval

Satish K. Tripathi, President   Date