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## **Equipment Management Guidelines**

The following guidelines were developed by the CSU Financial Officers Association to assist campuses in implementing Executive Order 649, Safeguarding State Property.

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## Equipment Management Guidelines

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## 1.0 INTRODUCTION

Campuses of the California State University system are required to adhere to CSU policy pertaining to acquisition, use and disposition of equipment. CSU Executive order 649 delegates authority to the campus president to establish and maintain a system of internal controls to safeguard University Equipment.

These procedures provide reasonable standards for compliance with CSU policy and allow for customization as may be required by individual campuses. Adherences to the standardized procedures will facilitate accurate record keeping related to the acquisition, maintenance, control, and disposition of equipment. The combination of accurate accounting records and strong internal controls must be in place to protect against and detect the unauthorized use of University property.

## 2.0 DEFENITIONS

### 2.1 Expensed equipment

**Tracking equipment** is defined as all computers with acquisition costs between \$1 and \$4999 acquired on or after July 1, 2009 and all computers acquired prior to July 1, 2009 with an acquisition cost between \$1,500 and \$4,999 still in service.

**Computers** are defined as desktop/workstation CPUs, laptops, tablets, and notebooks. For the purposes of this policy, embedded controllers, network devices, copiers, printers, or hand-held devices such PDS's and smart phones will not be considered computers. Both capital and expense equipment have useful lives of at least one year and typically are not permanently attached to buildings or grounds.

### 2.2 Capital equipment

Capital equipment is defined as tangible, non-consumable property with an acquisition cost of at least \$5,000 which includes computers. Detailed guidelines on capitalization of assets is in the Capital Assets Guide issued as part of the CSU GAAP reporting manual.

### 2.3 Instructional equipment

Instructional equipment is equipment purchased for use in instructional departments. (CSU budget allocations for Instructional Replacement Equipment are based, in part, on existing equipment values.) Property records should be able to track and report information required for instructional equipment.

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## 3.0 RESPONSIBILITIES

### 3.1 Dean/Chair/Director Responsibilities

Each college, school, division, or department shall have primary responsibility for the safeguarding and care of all equipment assigned to or purchased by the respective unit. The Vice President, Dean, or Director of each unit shall designate departmental inventory coordinators charged with the responsibility of coordinating equipment security and tracking. The departmental inventory coordinators will work with the appropriate Business and Financial Affairs' departments (including Contract and Procurement Management, Business Services, Accounting Services, and Financial Reporting) to help ensure all equipment is properly recorded and reported in compliance with the guidelines and procedures referenced below. **When ordering equipment, the acquiring organization must include proper coding in the requisition that identifies the acquisition as equipment. This requirement helps ensure that equipment will be properly tagged, recorded, and tracked upon receipt.**

**Warranty information and supporting documentation** is to be maintained by the owning department. Inventoried equipment may have minimal backup information maintained in the Property records. The information maintained in the Property records is not the primary source of warranty information.

### 3.2 Inventory Coordinator's Responsibilities

Ensure the proper use and maintenance of all property and equipment assigned to the department. Coordinators must promptly report any loss, damage, or misuse of property to Public Safety and Material Management. Maintain current, complete, and accurate property records and track the assignment of equipment within the department. Each department is charged with the responsibility for University equipment assigned to or purchased by that department. Inventories of equipment will be taken at least every three years. The department is also responsible for communicating with Property Clerk regarding receipt of equipment that is to be tagged and notification of loss, disposal, or transfer of equipment.

### 3.3 University Property Clerk Responsibilities

Equipment tagging, tracking, and maintenance of campus equipment records are responsibilities of the Office of Material Management. This central administrative

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function is usually part of Property Accounting, Material Management or other business offices.

The application of the identification number to equipment is the responsibility of the Property Manager; this function may be delegated to a campus department if appropriate controls are maintained.

Coordination or performance of equipment inventory will be done at least every three years or as designated by the Office Material Management.

Supporting documentation for additions, deletions and changes is maintained in the office of Material Management and made available to the Accounting Department as needed for reconciliation and documentation.

The University has a vested interest in ensuring accurate property records. CSU budget allocations for Instructional Replacement equipment are based, in part, on existing equipment values. Property that is not properly accounted for, impacts negatively on the campus allocation.

### **3.4 Accounting Department**

Journal entries for fixed asset additions, deletions, and changes are made monthly into the General Ledger.

The General Ledger records for each asset category should match the subsidiary records in the asset database for each asset category. The General ledger entries are made at a summary level; the subsidiary asset database records are at asset detail level and should be reconciled to the GL summary on a monthly basis. The monthly reconciliation should be signed and dated by the preparer and a higher-level reviewer.

### **3.5 All Employees**

Each member of the campus community has a general obligation to safeguard and make appropriate use of University property and equipment. This obligation includes but is not limited to:

- Exercising reasonable care in equipment use to prevent damage and maintain in good condition.
- Taking reasonable security precautions to discourage loss, theft, or misuse of property.

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- Reporting lost, stolen, damaged, or otherwise impaired property/equipment to appropriate parties.

### **3.6 Separation of Duties**

To maintain good internal controls, and to the extent staff size allows, there should be a segregation of duties so that the following functions are not all assigned to the same individual in a department:

- Initiating or approving purchase of equipment (dean, chair, director);
- Maintaining equipment records (property manager)
- Taking physical inventory (department inventory coordinator and property clerk).

Employees who are not responsible for the custody or record keeping of property should oversee the inventory process.

## **4.0 ACQUISITION OF EQUIPMENT**

### **4.1 Purchase**

Equipment may be acquired by purchase (including lease purchase and installment purchase), gift, or transfer. The cost of equipment includes the purchase price plus all cost to acquire (shipping and handling), install, and prepare equipment for its intended use.

### **4.2 Gift**

Any gift transferred to University ownership meeting the definition of equipment will be tagged and added to property records. The department should coordinate with the development/advancement office to ensure all CSU and campus gift acceptance requirements are met and the gift is properly acknowledged and recorded, using estimated fair market value on the date the gift is received for acquisition cost.

### **4.3 Transfer of Equipment to the University**

All requests for transfers of equipment to the University must be in writing and approved by the Property Clerk.

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#### **4.4 Fabrication**

Items constructed by campus employees may also be recorded as equipment if they meet the definition in section 2.0. Acquisition cost should be estimated based on the cost of materials used and the salary and benefit cost involved in the fabrication.

#### **4.5 Delivery**

##### **4.5.1 Central Receiving**

Equipment delivered to the Central Receiving Department should be tagged and recorded before delivery to accepting department, unless the campus has procedures that allow for tagging after delivery to the accepting department.

##### **4.5.2 Direct to Department/Pick-Up by Department**

When equipment is delivered directly to a department, the department must contact the Property Clerk to have the equipment tagged and placed on inventory records. Property Clerk will forward a property record to the inventory coordinator requesting current information (serial number, current location). Departments should furnish copies of pertinent documents to Property Clerk.

#### **4.6 Identification of University Equipment**

All equipment must be marked or tagged with a unique identification number and recorded in the property inventory listing. The identification number is applied to the actual unit unless its size or nature makes it impractical. A tag bearing the identification number should be affixed so it is in plain sight and easy to read, e.g. on the top left corner or other conspicuous position. Additional identification required by a department should be applied in a manner that avoids confusion with the campus identification number. Should the identification number be accidentally or mistakenly obliterated, defaced or removed, the equipment should be retagged with the same identification number if possible. Assigned identification numbers are recorded on all applicable receiving, shipping, and disposal documents, and other records that are related to the property control system. Once an identification number has been assigned, no change is made during the life of the item regardless of inter-departmental transfers.

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## **5.0 INVENTORY**

### **5.1 Property Database**

A property database should be maintained for all tagged equipment.

#### **5.1.1 Acquisition Data**

Information entered into Property database should include Date of Purchase, Cost, Purchase Order Number, Department, and Account Number charged.

#### **5.1.2 Item Description**

Description of equipment entered into the Property database should include Make, Manufacturer, Model Number, Serial Number, and University Identification Number as well as asset type/category/class as needed for capital asset reporting and depreciation.

#### **5.1.3 Location of Equipment**

The location of each item of equipment is noted in the department records and Property Office records. Current records as to movement of equipment are maintained in such a manner that any item of equipment can be located for inspection or inventory purposes within a reasonable time. The responsible department will notify the Office of Material Management of any changes in location of equipment.

#### **5.1.4 Depreciation**

Depreciation information would include useful life, depreciation method/rate/schedule and cumulative depreciation.

### **5.2 Inventory of Equipment**

#### **5.2.1 Physical Inventories of University Equipment**

Department Inventory Coordinator and/or Property Clerk will make a physical count of all property and reconcile the count with the Material Management accounting records at least once every three years. Department

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Inventory Coordinators may be designated. A computer printout and inventory instructions will be furnished to each department at inventory time by the Property Clerk.

Property Clerk may verify the department inventory on the basis of statistical sampling. If the sample shows significant discrepancies, the Property Clerk should take a complete physical inventory.

### **5.2.2 Results of Inventories**

Department Inventory Coordinator will submit to the Office of Material Management a property listing that identifies all discrepancies disclosed by physical inventory. The listing will include a signed statement that physical inventory of all or certain classes of property was completed on a given date and that the official property records were found to be in agreement with the physical inventory, except for discrepancies reported. The listing and signed statement will be furnished with a minimum of delay at the completion of the physical inventory.

Printouts and lists used to take inventory should be dated and signed by the inventory taker and retained for audit.

### **5.3 Personally Owned Equipment**

If a University employee keeps personally owned equipment on campus, it should be reported to his/her department and identified as the property of the owner. The University is not responsible for loss or damage to the equipment.

## **6.0 LOSS PREVENTION**

Some campus property may pose a higher risk of loss due to its portability and marketability. Departments with equipment susceptible to theft, e.g. computers, should consider utilizing one or more of the following theft protection measures:

- Ensuring University equipment tags, bar code labels or permanent markers are on equipment.
- Establishing a check-out/check-in system for departmental equipment.
- Office equipment can be cabled or bolted and locked to desks and stands.

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- A security room or closet may be used to store any items vulnerable to theft.
  - For internal control purposes, inventories need not be exclusively controlled by the Inventory Coordinator. Departments may assign a responsible person to perform interim inventories to ensure adequate property control.

## **7.0 INTERNAL TRANSFER, RELOCATION AND LOAN OF EQUIPMENT**

It is the responsibility of the department to notify the Property Clerk of all relocations of equipment items as follows:

### **7.1 Relocation Within A Department**

When the only change is the physical location of equipment within a department, an Intracampus Transfer of Equipment form must be completed and signed by the department property coordinator. A brief description of the item, the University number and the new location should be furnished. Forward the completed form to Property Clerk.

### **7.2 Relocation of Entire Department**

After department relocates, the department should conduct a complete physical inventory of equipment and report it to Material Management.

### **7.3 Inter-Departmental Transfers**

When equipment is transferred between departments, an “Intracampus Transfer of Equipment” form must be completed and signed by the appropriate Dean, Director or Chair of the department transferring the equipment. This form must then be forwarded to the department that has accepted the equipment. This department must record the new location(s) of the equipment. The Dean, Director or Chair of the receiving department must also sign the form. The completed form must be forwarded to the Property Clerk. Property Clerk will then update campus inventory records to reflect the transfer.

### **7.4 Off Campus Use of Equipment**

#### **7.4.1 Loans of University Equipment from One Department to Another**

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If equipment is loaned to another department for a short period, a memorandum of the transaction should be filed in the lending department.

#### **7.4.2 Loans of University Equipment to External Organizations, Employees, or Other Individuals.**

Any loan of University equipment to an external organization or to an individual, including employees (e.g. for use off-campus), must have prior approval of the appropriate department Chair or Director and the university Property Clerk. All loaned equipment shall be listed on an Off Campus Use of Equipment Agreement form with a copy to the Property Clerk. When the equipment is returned, the lending department must notify the Property Clerk.

Generally, university equipment is loaned to an employee exclusively for university business.

#### **7.4.3 Inter-Campus Loans of Equipment.**

Inter-campus loans of equipment require prior approval of the appropriate department chair or director and the university Property Clerk. Loans of one year or more are recorded on inventory records; inter-campus loans should be documented on the Off Campus Use of Equipment Agreement.

### **7.5 Surplus Property**

Departments or operating units having excess / surplus equipment are encouraged to return the equipment to the office Material Management.

Departments must complete and submit a “Moving Services Request Form” to the office of Material Management, the form must include State identification number(s), when applicable, current location(s) and brief description of the item(s). Material Management will schedule a pick up and relocate the equipment.

Departments must follow all recommended “Information Security Plan” instructions for preparing disposal of IT resources (3.9.8 Disposal of IT Resources). The SDSU Information Security Plan provides University policies, standards, and procedures to appropriately secure information, systems, and networks.

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## 8.0 DISPOSAL OF EQUIPMENT

### 8.1 Survey

In order to remove or delete equipment items from Property inventory records, a process known as a “Survey” must be completed. The following procedures must be taken:

- Moving Service Request Forms that list equipment State tag numbers are used as a reference to update property inventory records.
- The Property Manager will prepare a Property Survey Report and then forward the completed Property Survey Report to the University’s Property Survey Board for review and approval.
- Upon approval of at least two (2) property board members, surplus property may be removed (retired) from property inventory records. Surplus property may be moved off campus in preparation for sale or disposal upon approval of at least 1 (one) property board member and the property program administrator.
- “Surplus furniture” is a variety of desk, chairs, tables, cabinets, overhead cabinets, shelves, beds etc.  
“Surplus office equipment” is a variety of fax machines, telephones, calculators, cables, modems, lab equipment, scales, small hand tools, electrical devices etc. This type of property is non-tracking and does not require detailed listing information on the Property Survey Report. A brief description of all non-tracking surplus furniture or equipment is already provided by the department on the Moving Service Request Form.

### 8.2 Lost or Stolen Property and Equipment

When a determination has been made that University property or equipment has been lost or stolen, the individual or department accountable for the property or equipment should immediately notify the Campus Police/Public Safety, and then prepare and submit a complete written report to the department Chair, Dean or Director. A copy of the report must be sent to the Property Clerk. An additional copy of the report must be sent to Public Safety.

Employees may be charged for any loss of or damage to University property that is attributable to their negligence or unauthorized use.

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### **8.3 Trade-in of Equipment**

Departments must notify the Office of Material Management and submit a Moving Service Request Form with detailed information of the equipment that is being traded-in.

### **8.4 Transfers to State Agencies or other CSU Campuses**

A Property Transfer Report should be completed and approved by both the Property Clerk/Office of the campus supplying the equipment and the agency/campus receiving the equipment.

The acquisition value and accumulated depreciation should be provided to receiving agency for their records. The equipment should be removed from the supplier's property records as outlined in section 8.1 and added by the recipient as outlined in section 4.3.

### **8.5 Sale of Equipment**

Material Management in accordance with University policy may offer University surplus equipment, surplus furniture and surplus office supplies for sale. The term "sold equipment" applies to University-owned equipment sold to external agencies or individuals. It does not apply to equipment transferred to another department or campus.

### **8.6 Donation of Equipment**

Property Clerk in accordance with University policy may donate University surplus equipment, surplus furniture and surplus office supplies. Any non-profit organization may qualify for a donation.

The organization must submit a letter requesting donation on letterhead to:

Director, Business Services, San Diego State University,  
5555 Canyon Crest Drive, San Diego CA 92182-8500.

All donations of equipment must be processed through Property Clerk.

### **8.7 Junked or Salvaged for Parts**

A Property Survey Report must be prepared whenever it is proposed to dispose of University owned property by junking or salvaging the equipment for parts. Departments should follow the procedures outlined in section 8.1.