



## UMBC Policy for Non-Capital and Sensitive Equipment

### UMBC #VIII-1.10.02

#### I. POLICY STATEMENT

This policy on non-capital and sensitive equipment is intended to define the conditions under which adequate internal control over non-capital equipment is maintained to ensure the safeguarding of University assets.

#### II. PURPOSE

To meet the requirement for USM institutions to document their non-capital inventory policy in accord with Board of Regents (BOR) policy 240.0 VIII-1.10- Policy for Capitalization and Inventory Control (issued by the Chancellor, June 19, 1989, revised by the BOR, June 9, 1995). (Available at <http://www.usmd.edu/regents/bylaws/SectionVIII/VIII110.html> .)

#### III. APPLICABILITY AND IMPACT STATEMENT

This policy addresses UMBC faculty and staff as well as any individual or agency in possession of UMBC equipment.

#### IV. CONTACTS

Direct any general questions about this University Policy first to your department's administrative office. If you have specific questions, call the following offices:

Subject	Contact	Telephone	Email
Policy Clarification	Crystal Slowe	410-455-2678	cslowe@umbc.edu

#### V. UNIVERSITY POLICY

##### **Inventory:**

Although the University does not capitalize non-capital equipment for financial reporting purposes, control of non-capital equipment is the same as capital equipment. The Inventory Control Section will maintain central records of all non-capital and sensitive equipment assigned to each department.

The Inventory Control Section will also be responsible for tagging non-capital and sensitive equipment when it is acquired, recording its manufacturer's serial number, and

determining its disposition when it becomes obsolete, surplus, inoperable or is donated to an approved charitable organization. The University System of Maryland's Board of Regents requires that a complete physical inventory of Non-Capital and Sensitive equipment be taken every three years. Each department will be responsible for taking its inventory. The Inventory Control Section will coordinate the scheduling of this inventory, and provide each department a list of its non-capital equipment as well as detailed instructions for performing this task. At the conclusion of the physical inventory, the physical inventory results will be reconciled to perpetual inventory records and, after adequate investigation, a final list of all missing equipment will be reviewed and approved by the President or his designee before any adjustments are made to the Inventory Database.

**Property Reporting to Agencies:**

Office of Sponsored Programs will inform Inventory control of the inventory reporting requirements of each grant or contract accounts as the agreements become known. Inventory control will retrieve equipment records from the database in order to prepare property reports in the agency-specified format and send the information to the agency. Copies of the property report submitted will be distributed to the UMBC department and OSPA department.

It is the department's responsibility to verify the report and return it to Inventory Control upon receipt of their copy to state if they agree with the property report that was submitted. If the department does not agree with the report, Inventory Control should be informed immediately. This will allow Inventory Control to submit a timely revised report to the awarding agency.

**Sub Recipient Monitoring of Equipment:**

Federal Acquisition Regulation (FAR) and OMB Circulars A-110, A-21 and A-133 impose regulatory requirements to the sponsoring agency, prime recipient and sub-recipients expending federal awards. In order to abide by federal regulations related to property, the following procedure has been developed:

Plant Funds Department will obtain a copy of the sub-recipient list from general accounting at June 30<sup>th</sup> of each year to determine which departments and Principal Investigators are affected. This list should agree to the list of sub-recipient contracts kept at the Sponsored programs office.

Annually, Plant Funds will send a notification to those UMBC departments, requesting a list of the property in the possession of the sub-recipient related to the contract.

The UMBC department should forward the property list to Plant Funds upon receipt of the letter. It is the responsibility of the department to obtain the inventory information from the sub-recipient and then forward it to Plant funds by the due date specified in the notification.

Plant Funds may need the inventory information more than once per year and may request for the information more frequently to meet the reporting requirements of the contract. Therefore, Plant Funds may request information several times or at different times of the year.

**Department Responsibility to Communicate with Inventory Control:**

Each department will be responsible for notifying the Inventory Control section of any appropriate form signed by the department chairperson and forwarding it to the Inventory Control section. A brief description of each form is listed below:

**VI. Definitions****Sensitive/Noncapital Equipment:**

**Note:** Sensitive items as defined by this policy would be included in the BOR non-capital equipment policy. BOR Policy does not separate sensitive equipment from other non-capital equipment items. (See

<http://www.usmd.edu/regents/bylaws/SectionVIII/VIII110.html>)

The University defines sensitive equipment as:

**All Computers regardless of cost including:**

Desktops /Workstations - Please tag CPU and cost the computer and peripherals as one unit, if purchased as one.

Laptops

Netbooks

Tablets/IPads

Servers

Audio Visual Equipment with an acquisition cost >\$1,000 up to \$4,999 including:

Large Screen Televisions/Monitors

Audio/Video Projection equipment

**All Firearms.** Financial Services Inventory Control staff will coordinate this inventory with the Police Department.

**All Motor Vehicles.** Financial Services Inventory Control staff will coordinate this inventory with the departments that own Motor Vehicles.

**VII. APPROVAL AND PROCEDURES**

A. Pre-approval is required not applicable

- B. Approval is required not applicable
- C. Procedures: See note above regarding procedures.

## VIII. DOCUMENTATION:

### A. UMBC Equipment Authorization Form

[http://www.umbc.edu/accounting/Plant\\_Funds/Off\\_Campus\\_Loan\\_Form\\_New](http://www.umbc.edu/accounting/Plant_Funds/Off_Campus_Loan_Form_New)

This form must be completed, signed by the department chairperson, and forwarded to the Inventory Control section **before taking equipment off campus.**

The anticipated return date must be stated and cannot exceed 24 months. The borrower will be required to bring the item back to campus during the physical inventory for verification.

### B. UMBC Inventory Adjustment Form

[http://www.umbc.edu/accounting/Plant\\_Funds/InventoryAdjustment](http://www.umbc.edu/accounting/Plant_Funds/InventoryAdjustment)

This form must be used whenever equipment is transferred to another department, is missing, stolen, or if a correction is needed for the account charged. If equipment is transferred, the chairperson for both of the departments transferring the equipment and the department receiving the equipment must sign the form. If equipment is missing or stolen, a copy of the police report must be attached.

### C. Property Disposition Form

[http://www.umbc.edu/accounting/Plant\\_Funds/Disposition\\_Form\\_New](http://www.umbc.edu/accounting/Plant_Funds/Disposition_Form_New)

This form must be used for disposal, relocation, temporary storage, sale or donation to an approved non-profit organization. **The Inventory Control section coordinates all disposals.** Departments cannot dispose or sell any equipment without the approval from the campus Plant Fund Accounting.

### D. Inventory Addition Form

[http://www.umbc.edu/adminaffairs/procurement/forms/inventory\\_additions\\_rev04052004](http://www.umbc.edu/adminaffairs/procurement/forms/inventory_additions_rev04052004)

This form must be used to notify Inventory Control about equipment that is purchased with P-Cards “credit cards” or equipment that is fabricated. Inventory Control will assign UMBC Tags to the equipment. The department should forward a completed Inventory Addition Form, Invoice and a copy of the entry to reallocate the purchase to Inventory Control.

### E. Inventory Addition Form for Federal Property (See attached)

This form must be used for reporting to Inventory Control all Federal Government Property in custody of UMBC departments or sub-recipients.

When a department receives property owned by the federal government and the subject property is titled to the federal government, the department must notify Inventory Control Section by forwarding an Inventory Addition Form along with a receiving form or an invoice. The Inventory Control section will affix the equipment with a “Property of US Federal Government” tag.

When a UMBC department subcontracts a federal award and the subcontractor receives property owned by the federal government, the department must notify Inventory Control section by forwarding a Inventory Addition of Federal Government Property Form along with a receiving form or invoice and a copy of the agreement. The Inventory Control section will affix the equipment with “Property of US Federal Government” tag. If the equipment is located off campus, Inventory Control Section will provide tags to the department. The department will certify receipt of the tags, place the tags on the equipment and will respond back to Inventory Control with the location and serial numbers of the equipment.

Inventory Control will use the Federal Government Addition Forms submitted by the department for annual and final property reporting to the federal government.

**F. Inventory purchases of Federal Property via purchase orders:**

If the department purchases property through a UMBC requisition “purchase order”, but title to the property rests with the Federal Government, the department should communicate this as a note on the purchase order and also attach a copy of the award or agreement.

**Note:** Copies of these forms can be obtained from the University’s Inventory Control Section.

**IX. RESTRICTIONS AND EXCLUSIONS:** *none*

**X. RELATED ADMINISTRATIVE POLICIES AND PROCEDURES:**

[UMBC Policy for Capital Equipment](#)

**Policy Number: VIII-1.10.02**

**Policy Section: Fiscal and Business Affairs**

**Responsible Administrator: Crystal Slowe**

**Responsible Office: Inventory Control**

**Approved by President: 11/19/08**

**Originally Issued: 11/19/08**

**Revision Date: 11/29/11**