



# **Property Management Procedures Manual**

Receiving & Property Control

*in the*

Division of Finance and Administration

August 2020

## Foreword

The department of Receiving & Property Control is an integral part of Mississippi State University under the oversight of the Vice President for Finance. Receiving & Property Control serves a dual role in the university community. The Receiving function serves as a point of entry for incoming freight delivered to the University. Incoming freight is verified with purchase orders, processed and delivered to departments by the Receiving delivery crew members. Additionally, Receiving picks up and processes surplus/disposal equipment for departments.

Property Control maintains the official record of inventory for fixed assets owned by or under the control of Mississippi State University, the Mississippi Agricultural & Forestry Experiment Station, the Forest and Wildlife Research Center, the Mississippi State University Extension Service and the Mississippi State Chemical Laboratory. This office is responsible for submitting monthly transactions reports for fixed assets to the Office of the State Auditor - Property Division for the State of Mississippi as required by state law. Property Control acts as a general liaison between the University and external fixed asset auditing entities.

This Property Management Procedures Manual is designed as a reference guide toward ensuring that the laws of the State of Mississippi and the policies of the Institutions of Higher Learning are closely followed as related to the proper management of fixed assets. Its intended purpose is to instruct employees of their responsibilities governing stewardship of university-owned property as well as that property entrusted to their care while carrying out the three-pronged mission of Mississippi State University: learning, service and research. It does not include, nor is it intended to include, all of the duties or responsibilities related to inventory that exist.

The procedures governing property management, acquisition, disposition and reporting of sponsored grants, contracts and subcontracts with the Federal Government are detailed in the MSU Federal Property Manual. It is available through Receiving & Property Control or Sponsored Programs Administration, a division of the Office of Research and Economic Development.

Sharon L. Hamlin, Director  
Property, Receiving and Mail Services  
Mississippi State University

## Introduction

Property inventory requirements for the State of Mississippi are governed by state statute which requires the heads of all state agencies and institutions to make an inventory of all land, buildings, equipment, furniture and other state property owned by or under the control of the respective agencies and institutions.

This Property Management Procedures Manual will emphasize the equipment portion of fixed assets management and reporting responsibilities of Receiving & Property Control. Unless otherwise instructed through sponsor or private agreements, equipment purchased through such arrangements will follow the same guidelines set forth by the Office of the State Auditor for state-owned equipment.

## Table of Contents

Foreword.....	1
Introduction .....	2
Part I: STATE OF MISSISSIPPI REQUIREMENTS - Equipment Inventory .....	5
Statement of General Policy (Fixed Asset Reporting) .....	5
Primary Inventory .....	5
Secondary Inventory .....	5
Reporting Requirements.....	5
Audit Requirements .....	6
Part II: UNIVERSITY EQUIPMENT STEWARDSHIP .....	7
Receiving & Property Control Responsibilities .....	7
Department Responsibilities .....	7
Part III: GENERAL INFORMATION.....	8
Property .....	8
Personal Use of Equipment .....	8
Off-Campus Use of Equipment .....	8
Marking of Motor Vehicles .....	8
Monthly Vehicle Mileage/Expense Report.....	8
Wireless Communication Devices and Plans .....	8
Part IV: ACQUISITION OF EQUIPMENT .....	9
Equipment Criteria.....	9
MSU Property Acquisition Form .....	9
Tagging of Equipment .....	9
Types of Equipment Acquisition .....	10
Direct Purchase.....	10
Cellular Telephones Provided Free of Charge with Service Agreement.....	11
Acquisition by Lease Purchase Agreement.....	11
Transfer of Equipment from a State Agency .....	11
Transfer of Equipment from a Federal Agency .....	11
Gifts through the MSU Foundation .....	11
Shop-Made Equipment.....	12
Acquired Through the Mississippi Surplus Property Commission.....	12
Additions to Existing Equipment.....	12

Replacement of Parts on Existing Equipment .....	12
Part V: TRANSFER OF EQUIPMENT .....	13
Types of Equipment Transfers .....	13
Interdepartmental Transfer .....	13
Transfer of Equipment to State-Funded Entity (other than MSU) .....	13
Transfer of Equipment to a State-Funded Entity Outside of Mississippi .....	13
Part VI: DISPOSAL OF EQUIPMENT .....	14
Types of Equipment Disposal.....	14
Disposal of Non-Functional or Surplus Equipment.....	14
Disposal of Cellular Telephones.....	14
Sale of Surplus Equipment by Sealed Bid, Live Auctions or GovDeals .....	14
Sale of Equipment to State-Funded Entities.....	15
Disposal of Firearms .....	15
Trade-In of Equipment on New Acquisitions.....	16
Missing, Stolen or Mysterious Disappearance of Equipment .....	16
Part VII: AUDIT OF EQUIPMENT.....	17
Types of Equipment Audits.....	17
Official State Audit of Equipment Inventory .....	17
Changes in Administrative Heads Self-Audits.....	17
Receiving & Property Control Audit .....	18
Departmental Self-Audit.....	18
Audit Performed by Office of Internal Audit .....	18
Part VIII: REPORTS OF INVENTORY TO DEPARTMENTS .....	19
Types of Departmental Inventory Reports .....	19
Part IX: Transaction Codes - Definitions .....	20
Acquisition Codes .....	20
Disposal Codes .....	20
Modification Transaction Codes.....	21
Part X: Forms.....	22

## Part I: STATE OF MISSISSIPPI REQUIREMENTS - Equipment Inventory

### Statement of General Policy (Fixed Asset Reporting)

Sections 29-9-1 through 29-9-21, Mississippi Code of 1972, Annotated, requires Mississippi state agencies and universities to maintain a complete and current inventory list of each property item. Each property item which costs \$1,000 or more is to be inventoried unless the items purchased fall within the groups listed below. These items will be reported as equipment regardless of their purchase value:

1. Motorized Vehicles
2. Pick-up Trucks
3. Vans
4. Chain Saws
5. Tractors
6. Air Compressors
7. Generators
8. Two-Way Radio Equipment
9. Weapons
10. Cellular Telephone/Satellite Phone
11. Lawn Maintenance Equipment
12. Computer Equipment (Over \$250)
13. Televisions/Video Monitors (Over \$250)
14. Camera & Camera Equipment (Over \$250)

The fixed asset reporting system has two major functions. It provides statewide information applicable to property (fixed assets) owned by each state agency and it ensures that the agencies are reconciling their financial records with the records of the Office of the State Auditor, Property Division.

### Primary Inventory

Primary Inventory includes all equipment purchases of \$1,000 or more that are required to be numbered and included on the property inventory list of the University and reported to the Office of the State Auditor, Property Division. Also included are the exception items (See Statement of General Policy) that are included regardless of purchase value. It is the responsibility of each department to attach inventory barcode labels to primary inventory items in areas where they can be readily seen without having to move the equipment item(s) for identification.

*University Policy 91.120: Possession of Weapons Including Firearms* defines a weapon as “any gun, rifle, pistol or other firearm of any kind, or any dynamite cartridge, bomb, grenade, mine or powerful explosive”.

### Secondary Inventory

Secondary Inventory includes other equipment, furniture, etc., costing less than \$1,000 and not required to be included on the departmental equipment inventory. It is the responsibility of each department to identify these items with a *Property of Mississippi State University* label. These labels can be obtained by contacting Receiving & Property Control. Although these items are not accounted for through the Office of the State Auditor, Property Division, departments are accountable for this equipment and shall use the same procedures when disposing or transferring this equipment.

### Reporting Requirements

Section 29-9-1, Mississippi Code of 1972, Annotated, requires that all agencies and universities maintain a complete current inventory list of each property item. A report documenting any additions and/or deletions shall be submitted to the Office of the State Auditor, Property Division, no later than the 15th of each month.

## **Audit Requirements**

Section 29-9-13, Mississippi Code of 1972, Annotated, requires that the Office of the State Auditor shall make regular audits of the different state agencies, shall reconcile all invoices and records with the agencies' property inventories and shall make a check or physical audit of the actual items or properties shown on their inventories and related records. It is the responsibility of the University to furnish a competent person or persons to assist in this physical audit.

## Part II: UNIVERSITY EQUIPMENT STEWARDSHIP

Compliance with the regulations set forth by the State of Mississippi requires a joint effort between University departments and Receiving & Property Control.

### Receiving & Property Control Responsibilities

Receiving & Property Control maintains the official equipment inventory for the University. Receiving & Property Control submits to the Office of the State Auditor, monthly transactions reports by the 15th of each month. Additional responsibilities of Receiving & Property Control include, but are not limited to, the following:

- Maintain and improve the system which provides accountability for equipment, land and buildings owned by the University,
- Report fixed asset additions and deletions to the Office of the State Auditor-Property Division,
- Record, verify and deliver incoming and outgoing freight to and from the University,
- Coordinate the sale, disposal and/or redistribution of surplus state-owned equipment,
- Coordinate equipment audits undertaken by the University,
- Ad hoc reporting for various administrative groups,
- Provide training to departments of their responsibilities toward the stewardship of property,
- Ensure that adequate precautions are in place to safeguard University assets.

### Department Responsibilities

Department heads are responsible and accountable for all equipment listed on the department inventory record. Additional departmental responsibilities include, but are not limited to, the following:

- Designate a departmental property representative to coordinate property matters,
- Report new equipment purchases in a timely manner upon receipt of equipment,
- Report any missing/stolen equipment in a timely manner,
- Tag equipment in a manner consistent with state regulations,
- Request the disposal of surplus equipment,
- Assist in the completion of periodic audits conducted by the Office of the State Auditor, Office of Internal Audit, by Receiving & Property Control, or when changes in department heads occur
- Complete a *Property Representative Information Form* when changes in department information (i.e., department inventory representative changes) occur or when a new inventory department needs to be created for reporting purposes,
- Maintain a current file of hand receipts.



## Part III: GENERAL INFORMATION

### Property

Property is defined as all furniture, vehicles, equipment and other state property having a useful life expectancy of at least one year and the cost of which is \$1,000 or more. It does not include carpeting (excluding area rugs), draperies, plants, installed floor-to-ceiling partitions, window shades or blinds, mattress/box springs, water heaters, installed drinking fountains, museum acquisitions, library books, films or archival collections. Items under \$1,000 in value are not required to be placed on inventory excluding “exception” items. However, they are required to have an agency “Property of ....” label applied.

### Personal Use of Equipment

It is University policy that personal use of State or University-owned or leased equipment, supplies or materials is prohibited. All equipment, supplies or materials, however acquired by the State or the University are considered to be State/University-owned. Information regarding misuse of university assets and other Mississippi State University Operating Policies and Procedures may be found at <http://www.policies.msstate.edu/>

### Off-Campus Use of Equipment

Off-Campus is described as a personal residence, private shop, private lab or private office. When it is necessary to remove equipment from the assigned department in order to conduct official University business, a hand receipt documenting the move should be kept on file by the department. *Hand receipts* can be found on the website at <http://www.property.msstate.edu> under the *Forms* tab and should be updated every twelve months.

### Marking of Motor Vehicles

All State vehicles, owned or leased by any agency of the State, shall have a permanent decal or be painted on both sides of the vehicle in letters at least three (3) inches in height and on the rear in letters not less than one and one-half (1 ½ ) inches in height, stating the name of the state agency. The marking must be in a color which is in contrast with the color of the vehicle as set forth in Section 25-1-87, Mississippi code of 1972, Annotated.

### Monthly Vehicle Mileage/Expense Report

State agencies and institutions are required to report the monthly vehicle mileage, fuel costs, maintenance costs, assigned driver, replacement year, etc. Departments are required to enter fuel, maintenance, and repairs on a monthly basis using the InCircuit Fixed Asset Management System. Receiving & Property Control reports this information by the 15<sup>th</sup> of each month to the Mississippi Institutions of Higher Learning.

### Wireless Communication Devices and Plans

In order for any other MSU employee to achieve eligibility, an employee must have an official University business need for a wireless communication device and obtain Presidential approval. Information regarding wireless communication devices and other Mississippi State University Operating Policies and Procedures may be found at <http://www.policies.msstate.edu/>

## Part IV: ACQUISITION OF EQUIPMENT

### Equipment Criteria

Equipment as an asset category is reserved for expenditures meeting the following tests:

1. They are for acquisitions of visible, tangible state property
2. They are non-consumable in nature
3. Their anticipated life is at least one year
4. If the cost of acquisition is \$1,000 or more (and all items listed to be added regardless of price) the equipment shall be on inventory

Equipment is usually categorized into types. The categories used depend to a large extent on life expectancy, mobility, categorization of similar assets and the administrative area of use of the asset.

All of the costs required to get the assets in existing condition and location are capitalized (ie. cost of freight, negotiations, finder's fees, installation, breaking in, etc.)

### MSU Property Acquisition Form

A *Property Acquisition Form* should be completed by the department for each acquisition that meets the inventory equipment criteria, regardless of acquisition method. The form should include all available acquisition information requested. The serial number should be recorded directly from the equipment and not from the company invoice. A *Property Acquisition Form* should be forwarded to Receiving & Property Control as quickly as possible upon receipt of equipment. The *Property Acquisition Form* can be found on the website at <http://www.property.msstate.edu> under the *Forms* tab. The MSU Property System will assign a unique inventory number to each equipment item.

### Tagging of Equipment

Upon closure of each monthly report, Receiving & Property Control staff will print the barcode inventory labels and mail to each department with their *Original Acquisition Transactions* report. The department inventory representative will physically affix each label to its designated equipment item based on the number assignment in the inventory report. It is the responsibility of each department to attach inventory labels to primary inventory items in areas where they can be readily seen without having to move the item for identification.

Equipment items under \$1,000 in value (excluding exception items) are required to have a "*Property of 'agency'*" label applied. Receiving & Property Control provides the "*Property of 'agency'*" label upon request. Personal property should be labeled "*Personal Property of 'name'*". Departments shall provide their own "*Personal Property of 'name'*" labels.

## Types of Equipment Acquisition

*Direct Purchase through Procurement and Contracts*  
*Cellular Telephones Provided Free of Charge with Service Agreement*  
*Acquisition by Lease-Purchase Agreement*  
*Transfer from a State Agency*  
*Transfer from a Federal Agency*  
*Gift through the MSU Foundation*  
*Private Gift or Donation*  
*University Shop-Made Equipment*  
*Acquired through Mississippi Surplus Property Commission*  
*Upgrades to Existing Equipment*  
*Replacement Parts*

### Direct Purchase

Equipment purchased directly through Procurement and Contracts should be purchased using a capital outlay account code (4082xx account numbers) and the modified commodity code (4067xx account numbers). An updated list of the account codes that may be used for equipment purchases can be obtained by accessing the Office of the Controller and Treasurer's website at <http://www.controller.msstate.edu/>.

#### **BANNER Equipment Account Codes**

408210 - Furniture/Office Equipment ( $\geq 5,000$ )  
408220 - Vehicles ( $\geq 5,000$ )  
408230 - Ag/Outdoor Equipment ( $\geq 5,000$ )  
408240 - Medical Equipment ( $\geq 5,000$ )  
408250 - Computer Equipment ( $\geq 5,000$ )  
408260 - Media Equipment ( $\geq 5,000$ )  
408270 - Scientific Equipment ( $\geq 5,000$ )  
408290 - Other Equipment ( $\geq 5,000$ )  
408298 - Equipment Titled to Sponsor ( $\geq 5,000$ )

#### **BANNER Commodity Equipment Account Codes**

406710 - Furniture/Office Equipment (1,000<5,000)  
406720 - Vehicles (1,000<5,000)  
406730 - Ag/Outdoor Equipment (1,000<5,000)  
406740 - Medical Equipment (1,000<5,000)  
406750 - Computer Equipment (250<5,000)  
406760 - Media Equipment (250<5,000)  
406770 - Scientific Equipment (1,000<5,000)  
406780 - Consumable Equipment (1,000<5,000)  
406790 - Other Equipment (1,000<5,000)  
406798 – Sponsored Titled Equip – Expendable (1,000<5,000)

The following is an outline of the steps taken to inventory a new equipment item acquired by direct purchase through Procurement and Contracts:

1. Asset is requisitioned by the department
2. The requisition is approved by the department head
3. Procurement and Contracts issues a purchase order

4. The asset is delivered to campus
5. The asset is delivered to the department
6. The asset is inspected for damage by the department
7. The invoice is approved for payment by the department
8. *MSU Property Acquisition Form* submitted by department
9. The invoice is paid by Accounts Payable
10. Invoices coded 4082xx and 4067xx are downloaded into the MSU Property System
11. The *MSU Property Acquisition Form(s)* received from department are matched with equipment records in the MSU Property System by using the payment document number
12. The MSU Property System will assign an inventory number
13. Receiving & Property Control prints the corresponding barcode inventory label for each equipment item and sends to the department with the corresponding acquisition report each month.

### **Cellular Telephones Provided Free of Charge with Service Agreement**

Cellular telephones that are obtained “free” of charge through a cellular service contract are considered an exception item and are required to be inventoried regardless of price. A completed *MSU Property Acquisition Form* should be submitted to Receiving & Property Control. Information required include cellular telephone number, person assigned the cell phone, service contract provider and service plan. Cellular telephones should NOT be returned to the service provider and traded in on a new phone. Proper disposal procedures should be followed as described in the section entitled *Disposal of Non-Functional or Surplus Equipment*.

### **Acquisition by Lease Purchase Agreement**

Equipment purchased through a lease purchase agreement should be purchased using lease account codes (4055xx account numbers). Questions concerning lease purchases and an updated list of the lease purchase account codes can be obtained by accessing the Office of the Controller and Treasurer’s website at <http://www.controller.msstate.edu/>.

### **Transfer of Equipment from a State Agency**

Receiving & Property Control should receive written notification for all equipment transferred to the University from another state agency in Mississippi. This includes a copy of the Form 873 associated with the transfer that requires approval by the Office of the State Auditor-Property Division. A completed *MSU Property Acquisition Form* should be sent to Receiving & Property Control for addition to inventory.

### **Transfer of Equipment from a Federal Agency**

Receiving & Property Control should receive written notification for all equipment transferred to the University from a Federal Agency. This includes a copy of the paperwork associated with the transfer and a completed *MSU Property Acquisition Form*. The MSU Federal Property Manual contains complete information concerning the handling of sponsored grants/contract equipment and equipment related to subcontracts. This manual is available by contacting Receiving & Property Control, Sponsored Programs Administration or visiting either department’s website.

### **Gifts through the MSU Foundation**

The MSU Foundation forwards a letter to Receiving & Property Control for gift purchases to a department. Gifts that meet the definition of inventoriable equipment are required to be inventoried and departments shall submit a completed *MSU Property Acquisition Form* to Receiving & Property Control.

### **Shop-Made Equipment**

A completed *MSU Property Acquisition Form* shall be sent to Receiving & Property Control upon the completion of any shop-made equipment that meets the inventory equipment requirements as set forth above.

### **Acquired Through the Mississippi Surplus Property Commission**

A completed *MSU Property Acquisition Form* should be sent to Receiving & Property Control for equipment purchased through the Mississippi Surplus Property Commission located in Jackson, Mississippi. Equipment acquired in this manner should be recorded on inventory at the price paid to acquire the item. University personnel wishing to visit the Office of Surplus Property should call Receiving & Property Control to obtain a memo granting authorization to purchase equipment. The Mississippi Surplus Property Commission will grant warehouse access only to those persons who have the authorization memo in hand upon arrival. Department personnel will sign for any equipment purchased and the Surplus Property Commission will provide the original blue copy receipt to Receiving & Property Control at the end of each month. Receiving & Property Control will forward the original invoice to the respective department(s) with instructions for payment.

### **Additions to Existing Equipment**

When purchasing equipment that will be added (upgraded) to an existing inventoried item; the account code of the upgrade should match the account code of the existing inventoried item. If the upgrade increases the value of the existing item above \$5,000, contact Receiving & Property Control. Upgrades that do not meet the threshold of \$1,000 (unless exception item) should be coded 406480. A completed *MSU Property Acquisition Form* for additions (upgrades) to existing inventory equipment should be sent to Receiving & Property Control using the same procedures as normal equipment purchases. Note on the *MSU Property Acquisition Form* the inventory number of the equipment to which the addition (upgrade) is being added.

### **Replacement of Parts on Existing Equipment**

When requisitioning equipment to replace a part of an existing inventory item, the following account code should be used: 406240 Repair & Replacement Parts.

## Part V: TRANSFER OF EQUIPMENT

### Types of Equipment Transfers

*Interdepartmental Transfer*

*Transfer to a State-Funded Entity (other than MSU)*

*Transfer to a State-Funded Entity Outside of Mississippi*

#### Interdepartmental Transfer

The department transferring the equipment should submit a completed *MSU Interdepartmental Property Transfer Form* including the item description, serial number, inventory number and value recorded on the departmental inventory report. The signatures of the respective department heads of the transferring department and the receiving department are required before the transaction(s) will be completed by Receiving & Property Control. When transferring inventory items from one agency to another agency, a new inventory number will be assigned.

#### Transfer of Equipment to State-Funded Entity (other than MSU)

It is the intent of Receiving & Property Control to offer surplus equipment to University departments in need of equipment. If a University department does not claim the surplus equipment, it can be offered to any state-funded agency or local government entity (public school, police department, fire department, etc.). Requests for the transfer of equipment to a state agency other than MSU should be made using the form entitled *Request to Transfer/Donate Equipment to a State-Funded Entity*. This type of transfer requires approval from the department head, dean or director and the appropriate vice president.

#### Transfer of Equipment to a State-Funded Entity Outside of Mississippi

Periodically, a need arises to transfer state-owned equipment no longer needed by a department to another state agency or institution in another state. Requests for the transfer of equipment to a state agency outside the State of Mississippi should be made using the form entitled *Request to Transfer/Donate Equipment to a State-Funded Entity*. This type of transfer requires approval from the department head, dean or director and the appropriate vice president.

## Part VI: DISPOSAL OF EQUIPMENT

### Types of Equipment Disposal

- *Disposal of Non-Functional or Surplus Equipment*
- *Disposal of Cellular Telephones*
- *Sale of Surplus Equipment*
- *Trade-in of Equipment*
- *Missing, Stolen or Mysterious Disappearance of Equipment*
- *Sale/Donation of Surplus Equipment to State-Funded Agencies*
- *Disposal of Firearms*
- *Trade-In of Equipment on New Acquisitions*
- *Missing, Stolen or Mysterious Disappearance of Equipment*

### Disposal of Non-Functional or Surplus Equipment

A *MSU Property Disposal Report* should be completed and forwarded to Receiving & Property Control for removal of non-functional or surplus equipment. Upon receipt of a completed form, Receiving & Property Control will contact the departmental property representative to make arrangements for the pick-up of the equipment. If the equipment is to be delivered to the Receiving Station, it is advised that departments call prior to delivery. Incomplete or handwritten forms will be returned to the department for completion. Each form must be signed by the department head, dean or director. The disposal of computer CPU's and hard drives requires the completion of the *Certification of Removal of Sensitive Information for Computer Equipment* form. This form must accompany the *MSU Disposal Report* or Receiving will not pick up or accept the items.

### Disposal of Cellular Telephones

Cellular telephones should NOT be returned to the service provider and traded in on a new phone. Proper disposal procedures should be followed as described in the section entitled *Disposal of Non-Functional or Surplus Equipment*. Cellular telephones should be returned to Receiving & Property Control with a completed *MSU Property Disposal Report*. It is highly recommended that departments not keep cell phones that have been deactivated since these items are reported separately to IHL and legislative groups for intense scrutiny of use and associated service contract costs.

### Sale of Surplus Equipment by Sealed Bid, Live Auctions or GovDeals

Equipment may be sold by sealed bid by contacting Procurement and Contracts. Procurement and Contracts will coordinate with Receiving & Property Control to verify specific inventory information prior to completion of the sale. The department is responsible for the removal of all university identification and inventory barcode labels prior to the release of the equipment to the vendor.

Important to Note: Miss. Code Ann. §25-4-105 (2017) expressly prohibits public servants (to include MSU employees) and relatives from participating in purchasing state-owned assets. A “relative” is defined as follows:

- The spouse of a public servant;
- The child of a public servant;
- The parent of a public servant;
- The sibling of a public servant; and
- The spouse of any of the relatives of the public servant described above.

Send the following to Receiving & Property Control in order to initiate the sale process:

- Inventory number and serial number
- Detailed description of the item (also include the condition of the item)
- Four or five pictures of each item
- Contact information
  - Contact person, phone number, email address, etc.
  - Location and viewing times
- Include the *GovDeals Vehicle Inspection Form* if it is a vehicle
- Fund number, Org number, Program number, & Activity number in which the proceeds need to be deposited into

Live auctions are periodically conducted with an auction company for the sale of surplus equipment that is typically farm-related. Notices of these auctions are advertised publicly. As with other sales, state employees (MSU employees) and relatives cannot participate in these auctions.

#### **Sale of Equipment to State-Funded Entities**

Departments wishing to sell surplus equipment to a state-funded agency should contact Receiving & Property Control. Under no circumstances should surplus equipment be sold to a state-funded agency without prior approval.

#### **Disposal of Firearms**

Procedures regarding the disposition of University-owned firearms should be followed in order to comply with *University Policy 91.120: Possession of Weapons Including Firearms*. The sale of firearms is strictly prohibited. Departments wishing to dispose of firearms should complete a *MSU Interdepartmental Property Transfer Form* and transport the firearm to Receiving & Property Control on campus. Firearms should be transported securely in a locked gun case or box. Safety measures should be followed to include: weapon should be empty of ammunition, either a safety mechanism should be in place such as a trigger lock or the bolt should be removed prior to transport. Receiving & Property Control will process the transfer and assume responsibility for the firearm.

Receiving & Property Control will contact the MSU Police Department Property Representative to facilitate the transport of the firearm to MSU Police Department for secure storage. A *Hand Receipt Form* will be completed by Receiving & Property Control to be signed by the MSU Police Department Property Representative to ensure chain of custody. The MSU Police Department shall:

- 1) Facilitate the destruction of the firearm;
- 2) Take photographs of the firearm's destruction;
- 3) Complete an affidavit that the firearm was destroyed and have it notarized by a Judge, Court Clerk or Deputy Clerk;
- 4) Maintain a file containing above documentation and supporting evidence;
- 5) Provide copies of all documents to Receiving & Property Control.

Receiving & Property Control will complete a *MSU Property Disposal Report* upon receipt of documents from MSU Police Department and complete disposal transaction of firearm from the inventory record. All other explosive devices should be disposed of through the appropriate channels of the MSU Police Department. These items are not generally inventoried because of life span less than one year. To comply with these procedures, the following are considered weapons:



- Gun
- Rifle
- Pistol or other firearm of any kind
- Dynamite cartridge of any kind
- Bomb
- Grenade
- Mine or powerful explosive

#### **Trade-In of Equipment on New Acquisitions**

New acquisitions occasionally involve the trade-in of existing equipment. Receiving & Property and Procurement and Contracts should be notified when this type of acquisition is desired. The requisition must contain the following information on the item(s) to be traded:

- Inventory number
- Item Description
- Serial number
- Trade-in amount

Procurement and Contracts will coordinate with Receiving & Property Control to verify specific inventory information prior to completion of the purchase. The department is responsible for the removal of all university identification and inventory barcode labels prior to the release of the equipment to the vendor. *(This section does not apply to cellular telephones. Please see applicable section regarding acquisition and disposal of cellular telephones.)*

#### **Missing, Stolen or Mysterious Disappearance of Equipment**

The department should notify local law enforcement authorities immediately following the discovery of theft, loss or disappearance of state-owned equipment and obtain an incident report. The department should complete an *MSU Property Disposal Report* and a *Lost, Stolen or Mysterious Disappearance Property Affidavit*. A copy of the incident report should accompany the two forms to Receiving & Property Control. The affidavit should explain in detail the circumstances of the loss, theft, or disappearance. The affidavit is not valid unless witnessed and notarized by a notary public. Receiving & Property Control offers notary service for those needing it.

It should be noted that the Office of the State Auditor-Property Division closely scrutinize affidavits, so care should be taken to provide as much detail as possible in stating the circumstances of a loss of equipment. In the event that missing equipment removed from inventory is found or recovered, Receiving & Property Control should be immediately notified so that the equipment can be added back to inventory.

## Part VII: AUDIT OF EQUIPMENT

### Types of Equipment Audits

- *Official State Audit of Equipment Inventory*
- *Changes in Administrative Heads Self-Audits*
- *Receiving & Property Control Audit*
- *Departmental Self-Audit*
- *Office of Internal Audit*

### Official State Audit of Equipment Inventory

Equipment audits are performed on a regular basis by the Office of the State Auditor-Property Division. There are two goals associated with an OSA audit. The first goal is to locate all of the items listed on the departmental inventory. The second goal is to add to inventory any item not currently on inventory that meets the criteria as inventory equipment. The audit process consists of two parts: an initial audit and a follow-up audit. During the initial audit phase, it is the responsibility of the departmental property representative to locate each item on the departmental inventory printout. The follow-up audit is required in the event that inventory items could not be located during the initial audit. Any inventory items not found after the follow-up audit will be considered missing on the final audit summary. Upon completion of the follow-up audit, there are two ways for the University to close the audit: 1) locate the missing items, or 2) remove the missing items from inventory as missing/stolen. The Office of the State Auditor will close the audit only after all missing items have been accounted for and all items found not on inventory have been added to inventory. Reports of the initial audit results, follow-up audit results and items found not on inventory are reported to the Institutions of Higher Learning and the Legislature for review, so every effort should be made to locate all items during the initial audit. Upon completion of an audit conducted by the Office of State Auditor (OSA), those departments with missing items will be notified of their automatic inclusion in the next audit conducted by OSA. Further, if the number of missing items indicated a total lack of accountability, the department will be audited by Receiving & Property Control at regular frequent intervals until the departmental findings reflect a continued understanding of their responsibilities related to stewardship of property in their care.

### Changes in Administrative Heads Self-Audits

Prior to a change in the administrative leadership of a department, the appropriate Vice President, Dean or Director shall delegate the responsibility of performing a physical inventory of departmental equipment so that discrepancies can be resolved prior to departure of the individual from the position. The *Administrative Change In Leadership Physical Inventory Report* can be found at [www.property.msstate.edu/forms](http://www.property.msstate.edu/forms). A formal report of the physical inventory results shall be provided through the supervisory chain of command up to the Vice President and a copy of the final report shall be forwarded to Receiving & Property Control for the record.

When the new Administrative Head assumes control of the department, he/she shall instruct the department inventory representative to complete a self-audit of departmental equipment for state-owned and sponsored inventories. The self-audit of equipment shall be completed within 30 days of assuming the Administrative Head position. The Property Officer, or designee, shall be available for assistance with this inventory, if requested. The new Administrative Head shall acknowledge responsibility for all applicable inventories by completing and signing a *Self-Audit Verification Form*. The form shall be forwarded to the Property Officer for the record.

### Receiving & Property Control Audit

Receiving & Property Control shall conduct periodic equipment audits. The following considerations serve as a guide in determining scheduling priorities:

- Equipment audits that are necessary for meeting external requirements
- Areas where non-compliance with established guidelines could result in severe penalties to the University
- Known areas considered high risk for problems
- Dollar value of equipment
- Time elapsed since the last equipment audit
- Administrative requests

### Departmental Self-Audit

Receiving and Property will notify departments when self-audits are scheduled and will provide instruction for their performance and completion. Self-audits require the department head's signature and date of completion. Self-audits provide departments an opportunity to physically locate equipment maintained on their departmental inventory. Departments are responsible for updating InCircuit with current building, room number, responsible person and any other information requested by Receiving & Property Control. *Hand Receipt Forms* are required to be updated, signed and verified for accuracy. However, visual inspection of items listed on *Hand Receipt Forms* should occur at the time they are updated. In cases where that is not possible, digital photos are required that include a date stamp, a photo of the equipment item and a photo of the serial number. Completed self-audit reports with current *Hand Receipt Forms* and photos are to be returned to Receiving & Property Control by the designated due date. During the self-audit process, once the deadline has passed for the return of reports to RPC, notification of delinquent self-audit reports will be provided through the department head's supervisory chain to the vice presidential level and copied to the Office of Internal Audit after the second request for reports has gone unanswered by a department. Departments should use the self-audit to identify items that are non-operational, broken or no longer needed and report them to Receiving & Property Control as disposal items by completion of the *MSU Property Disposal Report*.

### Audit Performed by Office of Internal Audit

All MSU departments are subject to audit or review by the Office of Internal Audit. Most departmental audits/reviews will include an examination of property and related internal controls. Property related items/areas examined by internal audit include but are not limited to:

- Department's completion of *Departmental Self-Audit Report*
- Review of *Hand Receipt Forms* for appropriate use and applicable date-stamped digital photos
- Accuracy and completeness of property records to include location information recorded on the asset record (building, room number, person responsible, etc.)
- Security and use of equipment
- Compliance with applicable state laws and university policy related to the acquisition, possession and disposition of property

## Part VIII: REPORTS OF INVENTORY TO DEPARTMENTS

### Types of Departmental Inventory Reports

Departmental inventory reports shall be printed each month by the department after Receiving & Property Control has sent notification of closing out the monthly inventory report. The following reports are listed in InCircuit under the *Reports* tab.

- \* 1 Departmental Inventory Report (ALL)
- \* 1A Departmental Inventory Report (MSU Title)
- \* 1B Departmental Inventory Report (Sponsor Title)
- \* 2 Monthly Report - Disposal Transactions
- \* 3 Monthly Report - Upgrades & Decreases
- \* 4 Monthly Report - Original Acq Transactions\_srm
  - (RPC will send this report with the new barcodes)
- \* 5 Departmental Cell Phone Inventory

## Part IX: Transaction Codes - Definitions

### Acquisition Codes

Code	Method of Acquisition
• 1	Purchased with state funds
• 2	Purchased by Bureau of Buildings
• 3	Purchased with federal funds
• 5	Donated from private source
• 7	Transfer from another state agency
• 9	Purchased through Mississippi Surplus Property Procurement Commission
• A	Confiscated property
• BF	Federal and donated
• C	On loan
• CZ	Capitalized lease
• F	Acquired with funds from the MSU Development Foundation
• FT	Titled to a sponsoring federal agency
• FS	Federal surplus
• GF	Govt. furnished
• P	Origin/How acquired unknown
• ST	Titled to a sponsoring state agency
• X	Shop-made equipment
• Z	Purchased through lease-purchase arrangement

### Disposal Codes

Code	Method of Disposal
Data processing, computer or computer-related telecom equipment	
• C1	Disposed of by Receiving & Property Control
• C12	Recycled computer/telecom equipment
• C13	Special needs recycling – hazardous/radioactive
• C14	Corrections – items that should not have been inventoried
• C2	Scrapped for spare parts
• C3	Lost/Stolen
• C4D	Transferred to an agency within MSU
• C5	Transferred to an agency outside MSU
• C6	Trade-in
• C7	Sold through sealed bid
• C8	Sold at public auction
• ZC	Lease-purchase capitalization upon maturity of lease-purchase agreement
• Z	Deletion of items under \$1,000, excluding the equipment exception list

Equipment other than data processing, computer or computer-related telecom equipment

- R1 Disposed of by Receiving & Property Control
- R2 Scrapped for spare parts
- R3D Lost/Stolen (non-computer)
- R3V Lost/Stolen (vehicle)
- R6 Recycled (non-computer)
- R7 Special needs recycling – hazardous/radioactive
- R8 Corrections – items that should not have been inventoried
- ZR Lease-purchase capitalization upon maturity of lease-purchase agreement
- Q1D Transferred to agency within MSU (non-computer)
- Q1V Transferred to agency within MSU (vehicle)
- Q2D Transferred to agency outside of MSU (non-computer)
- Q2V Transferred to agency outside of MSU (vehicle)
- Q3D Trade-in (non-computer)
- Q3V Trade-in (vehicle)
- Q4D Sold through sealed bid (non-computer)
- Q4V Sold through sealed bid (vehicle)
- Q5D Sold at auction (non-computer)
- Q5V Sold at auction (vehicle)
- Z Deletion of items under \$1,000, excluding the equipment exception list

### Modification Transaction Codes

- B Upgrade Increases the monetary value of a record
- DCE Deletion Decreases the monetary value of a record (computer)
- DDE Deletion Decreases the monetary value of a record (non-computer)
- DVE Deletion Decreases the monetary value of a record (vehicle)

## Part X: Forms

**The most current forms are located at [www.property.msstate.edu/forms](http://www.property.msstate.edu/forms) in .pdf fill-in format for your convenience.**

Property Representative Information Form

MSU Property Acquisition Form

MSU Property Disposal Report

Sensitive Information Removal Form

Lost, Stolen or Mysterious Disappearance Property Affidavit

Interdepartmental Property Transfer Form

Request to Transfer/Donate Equipment to a State-Funded Entity

Hand Receipt Form for Temporary Use/Off-Campus Use of Equipment

Self-Audit Verification Form

Sponsor-Titled Self-Audit Verification Form

Reserved Surplus Property Permission Form

Administrative Change in Leadership Physical Inventory Report

GovDeals Vehicle Inspection Form