

**COLORADO STATE UNIVERSITY**  
**Financial Procedure Instructions**  
**FPI 4-13**

1. **Procedure Title:** Property Management – Property Control
2. **Procedure Purpose and Effect:** This sets forth the policies and responsibilities for establishing and maintaining control over property owned by Colorado State University and its subcontractors, property owned by the federal government and property owned by non-federal sponsors of research projects to ensure compliance with general government requirements.
3. **Application of Procedure:** Certain property control processes, data records and values are required for the state and university financial statements, insurance coverage, budgeting, equipment control, utilization, and federal and non-federal research contracts, awards or grants. The federal government requires the university to procure, use, and control property in accordance with federal laws, executive orders, instructions from the federal sponsoring agency and any special instructions contained in the specific grant or contract. It is government policy, however, to rely upon the university's internal written procedures, subject to evaluation and approval. The Federal Acquisition Rules (FAR) have the most stringent requirements of a property system. The university has set up the property management policy and standards to meet the FAR rules. The applicable policies and procedures apply to the university and its subcontractors and are intended to ensure compliance with general government requirements. The University Property Control System is subject to periodic review and evaluation by government contracting and property personnel.
4. **Exemptions:** Specific agencies and specific contracts may impose special conditions beyond general agency requirements. In such cases, the special conditions and procedures so prescribed supersede the outlined procedures.
5. **Definitions:**
  - A. **Accountable Property Officer (APO):** Department heads/chairs (or equivalent position titles) and directors (or equivalent position titles) who are entrusted with fiscal responsibility for the assigned organizational units, including the management of property and equipment.
  - B. **Asset Representative:** A person's name entered on the property record who is a current user of an asset and responsible for the equipment location.
  - C. **Capital Asset Management (CAM):** CAM is a module of the university Kuali Financial System (KFS). This is the system of record for capital assets within the Kuali Financial System.
  - D. **Capital Asset Management (CAM) Processor:** Any Kuali user can view capital assets. People need to apply for the CAM Processor role. If granted, the CAM Processor Role can edit, loan, transfer, and retire capital assets; as well as enter non-capital assets into Kuali.
  - E. **Contracting Officer:** The authorized individual delegated by the appropriate authority to enter into a contract and thereafter administer the contract on behalf of the federal government.

- F. Contractor Acquired Government Property:** Property acquired, fabricated or otherwise provided by the university for the performance of a contract or grant. Title is vested in the government in accordance with contract or grant terms and conditions.
- G. Custodial Department:** The university department or unit having physical control of property.
- H. Custodian:** The individual in physical possession or control of university property located on campus or at an off campus or non-CSU facility.
- I. Custody:** Custody occurs when the university becomes responsible for the safeguarding and maintenance of a capital asset.
- J. Dean:** The head of a division, faculty, college or school of a University
- K. Department Head/Chair (or equivalent position titles):** Principal administrators of the school or college's departments and are accountable to the deans.
- L. Department Property Contact (DPC):** A person or persons assigned by the director or department head/chair to coordinate all matters involving property. DPC's carry out the day-to-day responsibilities within their department and provide guidance to department personnel concerning property matters such as acquisitions, coordination of transfers, equipment at sub-recipient locations, maintenance, physical inventories, and disposals.
- M. Development Officer:** Person responsible for tracking and reporting to the Division of Advancement any donations of equipment gifted directly to the department.
- N. Director (or equivalent position titles):** Principal administrators of organizational units, such as institutes, centers, and administrative departments and are accountable to an officer of the administration (or other fiscal principal).
- O. Electronic Equipment Accountability Change Request Approver (EEA):** Appointed by the department head/chair (or equivalent position titles) and is responsible for approving all electronic EACRs for all non-capital property or retired Quali assets routing to Surplus Property for disposal.
- P. Excess Government Property:** Property that has additional useful life but is no longer required by the federal agency and is available to other federal agencies or federal contractors such as the university.
- Q. Federal Acquisition Regulation (FAR):** FAR is the governing body for contracts.
- R. Federally Funded:** Federally funded capital equipment requisitions are those that will encumber funds provided by a federal sponsoring agency, the full amount of the purchase or any portion thereof. This includes non-federal agencies providing federal-pass-through funds.
- S. Fiscal Officer/Officer of the Administration (or other Fiscal Principal):** A person responsible for maintaining day-to-day financial, accounting, administrative and personnel services in order to meet legislative requirements and support municipal operations.

- T. Government Furnished Property/Equipment (GFE):** Property in the possession of, or directly acquired by the government and subsequently delivered to or otherwise made available to the university for use under specified contracts and grants. This could include excess government property and/or transferred property.
- U. Government Property:** All property owned or leased by the government. Such property acquired under contracts with the university includes government furnished property and contractor acquired government property.
- V. Government Property Administrator:** The individual designated as an authorized representative of the contracting officer to administer the contract requirements and obligations relative to government property in possession of a contractor.
- W. Office of Management and Budget (OMB):** The governing body for grants.
- X. Organizational Unit:** A subset of university operations. An organizational unit may be a department or any other distinct operational activity with the following characteristics: organizational permanency, programmatic autonomy, and an annual operating budget that is fiscally independent.
- Y. Ownership:** Ownership of an asset occurs when the university holds legal title of an asset. Most generally, university funds are disbursed to acquire the asset; however, the title may also be transferred to the university by gift or donation. The asset will be presented individually or in a lump sum total on the financial statements of the university as an addition to the respective campus plant fund when the university has acknowledged ownership of the asset.
- Z. Principal Investigator:** The manager of any contracts with sponsor agencies and responsible for reporting all moveable capital assets associated with the project.
- AA. Property Control:** Property Management has been assigned the responsibility of recording all property in the custody of the university, and for verifying periodic department inventories except library books, publications and educational media, which are the responsibility of the dean/director/department head. Each department head is responsible for the control and maintenance of equipment assigned to the department.
- BB. Sponsor or Other Owned:** Property owned by a sponsor or other entity.
- CC. Title:** Title to acquired property can be dependent upon the contractual obligations in predefined agreements. For Contract or Grant acquisitions, the Office of Sponsored Programs provides title information. Title to donated property or property purchased with university funds rests with the university rather than with a department. Departments that are assigned property for custody and use are held accountable for such property.
- DD. Transfer:** Transfer of property to or from other universities or organizations. These occur primarily due to a transfer of faculty and/or the transfer of a sponsored project from one university or organization to another. Property purchased by the university or furnished by the federal government to which the government retains title is considered Government Furnished Equipment (GFE) when it is transferred to an ongoing federally sponsored contract or grant.

6. **Procedure Statement:** Each member of the CSU community has a general obligation to safeguard and make appropriate use of property owned by or accountable to the university.

**A. Federal, Sponsor, and Other Owned or Funded Property:** Due to the variance in rules and regulations across government agencies regarding managing acquired or furnished federal property; principal investigators, division or college research directors, and contract officers must be familiar with specific contractual requirements for properties before initiating: (1) Acquisition, (2) Cannibalization, (3) Disposal, including transfer or sale, (4) Safekeeping, (5) Vesting of title, and (6) Accountability.

**B. Managing Property:** Managing Property has identified 10 primary life cycle outcomes, in addition to the overall property management system. These outcomes are:

1. Acquisition
2. Receipt/Identification
3. Property Records
4. Consumption
5. Utilization/Storage/Movement
6. Maintenance
7. Physical Inventories
8. Subcontract Control
9. Disposal
10. Property Closeout/Reports

The life cycle outcomes reflect the generally sequential nature of the property management process. The outcomes describe the activities performed by CSU in each phase of the life cycle to ensure the property is prudently managed.

**C. Acquisition.** Requisitions are submitted for the purchase of capital equipment. Procurement shall be initiated in accordance with policies and procedures outlined in the Procurement Manual, to ensure that acquisitions of tangible and intangible property are authorized, consistent with university accounting practices, and compliant with terms and conditions of the university, state, and sponsored projects. These policies will assure the avoidance of purchasing unnecessary or duplicate items, provide an analysis of lease and purchase alternatives where appropriate, provide clear and accurate descriptions of technical requirements, but which do not unduly restrict competition, and comply with applicable federal regulations and any special agency requirements. Property Management reviews new equipment purchases for correct property object codes. Procurement processes requisitions forwarded to them.

The government may authorize the university to acquire property for the performance of a grant or contract. Such authorization is subject to a determination by the contracting officer that it is allocable to the contract and reasonably necessary and is dependent upon the terms of the contract and the regulation of the specific agency involved. When a 53-research account is used, the Office of Sponsored Programs first reviews the requisition for compliance with agreement terms and availability of funds. The Office of Sponsored Programs also maintains the RPS page and is responsible for accurately recording the property title for capital assets on sponsored projects. The asset processor will then review the requisition and reference the Research Project Status (RPS) Report to see if there is an equipment budget and to whom title was assigned, in order to make sure the correct property object code was used. The Property Management Office records the ownership/title in the asset record.

*Excess Government Property:* The University may be authorized to receive excess property by a contracting agency when the property directly furthers an active contract. Such authorization is dependent upon the terms of the contract and the regulation of the specific agency involved. Items are usually allocated on a first-come, first-served basis. Excess government property is usually obtained without cost. However, the university specifies the method of shipping and pays all expenses of packing, transportation and subsequent installation, rehabilitation and maintenance. Standard Form 122 (SF122) or DD Form 1348, with a letter of justification of use, is forwarded to the sponsoring federal agency for approval. The sponsoring agency forwards the SF-122 on to the General Services Administration Office concerned, who will then order the item to be shipped to the university. Additional information can be obtained at <https://www.gsa.gov/portal/forms/download/115722> or <http://www.nasap.org>.

*Furnished Property:* The government or other sponsors may also furnish property. The Office of Sponsored Programs, the department and/or the principal investigator are responsible for notifying Property Management of any property being furnished through a contract, agreement or grant.

University Advancement provides a monthly report to Property Management and of all property received though Gift-In-Kind.

- D. Receipt/Identification.** The receiving party determines that packages received correspond with the bill of lading and that there is no visible damage. The department is responsible to make a thorough inspection of the shipment. Procurement should be notified promptly if there are discrepancies, adjustment of shortages, overages, or concealed damages; and action taken with the vendor, supplier, or carrier, as appropriate, to resolve the situation.

Government furnished equipment that is received on active project must be promptly reported to OSP and Property Management. Damaged shipments need to be reported on the Government Bill of Lading in the section marked "The Report of Loss, Damaged, Shrinkage" and furnished to the government. Notice of receipt is provided to the government immediately upon receipt of the property. In the instance of contractor-acquired property, notice of receipt must be provided to the government no later than the time the university submits application for payment of the property.

Departments will need to submit a receiving document in Kuali to release payment.

Once the item has been paid-in-full, Property Management will create the asset in the Kuali Financial System, assign a unique identification number, identify ownership, and (when practical) physical affix the decal on the asset. Sponsored-assigned markings, when applicable, are affixed per the terms and conditions of the accountable agreement.

*Property Identification Number:* The Property Management Office is responsible for tagging all equipment for which the university is accountable. The tag consists of six digits. Ownership can be identified by the first digit of the tag number:

<u>Tag Number</u>	<u>Title/Owner</u>	<u>Other characteristic</u>
2xxxxx-3xxxxx	University	None
5xxxxx	Sponsor or External	On loan to University
6xxxxx	Federal Government	On loan to University
7xxxxx	University	Art/Non-depreciable
8xxxxx	Lessor	Leased Item
9xxxxx	N/A	Non-Capital

- E. Property Records.** Records are retained in accordance with contract terms and university policy. Kuali is the established on-line management and record-keeping system used to maintain complete, current and auditable records of university property. Government property in the care and custody of

the university will be maintained in the same university property control system. Unless otherwise stated in a contract, each record will contain (at a minimum) the following information.

1. Ownership/Title
2. Description/Property Classification
3. Identification (manufacturer, model, serial number), if available
4. Department Code/Location
5. Accountable Contract Number, National Stock Number (if applicable), or Equivalent Code Designation
6. Purchase or Acquisition Date and Acquisition Document Reference Number,
7. Posting Reference and Date of Transaction
8. In Service Date and Decal Date
9. Acquisition Cost (Actual or Estimated) including federal funds share of the cost
10. Unique Identifier, such as a decal or tag number (university and, if applicable, federal)
11. Condition
12. Maintenance
13. Disposal Method

Source data supporting property records will be available as required by the contract term.

**F. Consumption.** Only supplies, materials and equipment necessary for performance shall be acquired and used.

**G. Utilization/Storage & Movement.** University, federal or non-federal property, whether furnished or acquired, is to be used for the purpose it was acquired or as authorized. The head of the custodial department and the principal investigator shall restrict the utilization of property acquired for use under a specific contract to the purpose authorized in the contract. Current equipment needs shall be periodically reviewed so that excess items may be identified. The principal investigator shall advise the Office of Sponsored Programs, who will then report to the contracting officer equipment for which retention is not justified. When it is desirable to use the equipment on another contract, the university shall secure prior written approval from the contracting officer for such use. During the time that non-expendable personal property is held for use on the project or program for which it was acquired, the recipient shall make it available for use on other projects or programs; if such other use will not interfere with the work on the project or program for which the property was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by the federal agency that financed the property; second preference shall be given to projects or programs sponsored by other federal agencies. If the property is owned by the federal government, use on other activities not sponsored by the federal government shall be permissible if authorized by the federal agency. User charges should be considered, if appropriate. Prior approval for altering an item of government equipment shall be obtained from the cognizant government's contracting officer. This approval will be coordinated through the Office of Sponsored Programs. Reasonable measures will be taken to mitigate risks associated with the movement of property and asset records updated in accordance with established policies and procedures. Property management will have the departments certify inventoried equipment, under the department's control, is maintained in good working conditions and is not excess.

The head of the custodial department and the principal investigator, if a contract is involved, shall make adequate provisions for the physical security of the material in their custody. Areas containing equipment shall normally be kept locked after business hours or at other times when not in use. Special precautions shall be taken in the case of high value, portable equipment and of sensitive equipment as defined by FAR 45.601.

When storage is necessary, adequate precautions will be taken to ensure storage methods preserve the condition and physical security of the property.

Temporarily idle equipment must be stored in accordance with sound practices with adequate protection.

The location of each item of inventorial equipment shall be noted in the university inventory records. Current records as to movement of equipment shall be maintained in such a manner that any item of equipment can be located for inspection or inventory purposes within a reasonable time. The custodial department shall notify Property Management of any changes in location of inventorial equipment to include permanent change of room location.

Equipment must be adequately protected while being moved. When authorized, government equipment may be transferred from the university with the prior approval of the Office of Sponsored Programs. A shipping document, transfer document or similar instrument must be obtained.

**H. Maintenance.** Federal Acquisition Regulation (FAR) part 52.245-1, "Government Property," requires stewards of federal property to have a property maintenance program in place to enable the identification, disclosure and performance of normal and routine preventative maintenance and repair of federal property. Principal Investigators are primarily responsible for ensuring maintenance is being performed on any government property in their custody. Maintenance is performed to the degree necessary to maximize the useful life of property and/or as specified in the manufacturers' instructions. Maintenance shall be preventative in nature, providing lubrication, cleaning, calibration and inspection on a regular schedule. Records of the maintenance program shall provide the description and date of maintenance actions performed, details of inspection, and deficiencies discovered or corrected. The CAM Database can be used to record any performed maintenance on assets. Biannually a system-generated email from the Property Management Office will be sent to the Principal Investigator (or the custodian listed as the responsible person on the capital asset record) and the Department Property Contact (DPC) for federal, sponsor, and conditional titled assets within CAM. This system-generated email will send both people a report showing the assets that may need to have maintenance records updated or entered. Maintenance is generally not required for items in the disposal process.

**I. Physical Inventories.** A physical inventory of capital and sponsored-owned property is performed biennially unless otherwise specified in the contract. A physical inventory is also conducted upon contract completion or termination as required. Property Management notifies the Risk Management Office of additions or deletions of major items of equipment as required for insurance purposes. The inventory process is comprised of:

1. Planning/Scheduling
2. Data Verification
3. Inventory Reconciliation
4. Reporting
5. Certification of Completion signed by the dean, director, department chair or department head.

When required by a contract, grant or agreement terms, the Office of Sponsored Programs will notify Property Management to complete a physical inventory. The Property Management Office will properly identify all equipment records and discrepancies disclosed by the physical inventory, along with a signed statement that a physical inventory of all or certain classes of government property was completed on a given date and the official property records were found to be in agreement with the physical inventory, except for reported discrepancies. The listing and signed statement will be furnished with minimum delay following the completed physical inventory. The Office of Sponsored Programs may waive the physical inventory requirement of government property at the completion of

a contract when the property applicable to the completed contract is authorized for use on a follow-up contract.

- J. Subcontractor Control.** Appropriate language and clauses are included in subcontracts, purchase orders or other work orders to flow down contract terms and protect the interests of the government, customer and the university.

Subcontract language will address at a minimum, the following areas:

1. Acquisition and title
2. Records
3. Physical Inventory
4. Reports, including Loss, Damage, Destruction, or Theft (LDDT)
5. Use
6. Disposal Method
7. Risk and Liability
8. Stewardship Responsibilities

- K. Disposal.** Other than land and buildings, Surplus Property has been delegated authority and responsibility for administering and determining the appropriate disposal method of all excess university owned property, regardless of funding or value. Surplus Property is to accomplish such disposal in compliance with financial procedures. University markings shall be removed prior to disposal. The university shall disclose the method of disposal, as required, and shall retain disposal related information. Disposal means include the following:

1. Transfer of title to another university or non-profit agency
2. Processed through an inventory adjustment due to loss, cannibalization, damage or destruction.
3. Reported, delivered, scrapped, or as otherwise authorized by the contract, grant, or agreement
4. Scrapped or recycled
5. Sold or auctioned
6. Traded-In
7. Stolen (In the case of theft of capital equipment, the department is responsible for contacting CSUPD)

All government owned property shall be disposed of in accordance with the U.S. Government instructions. All U.S. Government markings and identification shall be removed or obliterated from equipment that is sold or scrapped, or upon transfer of title to the university.

- L. Property Closeout/Reports.** Upon contract completion or termination, the following actions will be promptly performed by, or under the direction of, Property Management:

1. Physical inventory of property for disposal purposes,
2. Investigate, report, and resolve LDDT cases,
3. Complete disposal instructions and adjust property record as needed,
4. Submit final report for contract, grant, or agreement
5. Issue property closeout certification, as needed, per the contract, grant or agreement.

Contractually required reports of government property are submitted accurately and in a timely manner. These reports include:

- a. State and University Financial Statements
- b. Reports of Discrepancies
- c. LDDT Reports
- d. Physical Inventory results
- e. Reports of Audit and Self-Assessments



- f. Reports of Corrective Actions
- g. Other info, per terms of contract or university policies

**M. Department Roles and Responsibilities:** The university controller establishes university policy and procedures for control and reporting of property in accordance with applicable state and federal policy and procedures. Property Management is part of the Business and Financial Services department under the direction of the university controller. Close communication is required between Property Management, Departments, University Advancement, Procurement, Office of Sponsored Programs and Surplus Property.

Property Management is responsible for the initial recording of all property acquired by the university and for maintaining a current and accurate property system in order to comply with federal, state, and university regulations. Property Management has been assigned the responsibility for property recordkeeping, reporting of property acquisitions, inventory accounting records, verifying department property management practices by conducting periodic inventories held in cooperation with the Department Property Contact (DPC), assigning property decals (tags) to equipment, and ensuring the timeliness and accuracy of updates to the capital asset management system within the Quali Financial System. In addition to maintaining the property database, Property Management is responsible for the financial reporting of the capital assets on the university and state financial statements and providing equipment reports for federal and non-federal contracts, agreements and grants.

Property Management inventory issues are coordinated with the DPC. The functional responsibilities of the DPC role may be distributed among several individuals within a department. The distribution of duties may vary depending on the size and complexity of the property management needs of the department or sponsored project. DPC's carry out the day-to-day responsibilities within their department and provide guidance to department personnel concerning property matters such as acquisition, coordination of transfers, equipment at sub-recipient locations, maintenance, physical inventory (with the cooperation of Property Management), and disposal.

Deans, directors, department chairs, department heads and other university officers are assigned property for custody and responsibility. This includes property assigned for individual use or as part of a common area. They are accountable for the control, maintenance, use, care and protection of such property. The Principal Investigator also shares part of the responsibility for equipment. This shared responsibility includes notifying the appropriate DPC of any acquisition, movement, or disposal of property; exercising reasonable care in use to prevent damage or destruction and maintain good condition of the equipment; exercising reasonable security measures to prevent loss, theft, or misuse; and for reporting lost, stolen, damaged, or otherwise impaired property to appropriate parties, including but not limited to, a direct supervisor, building proctor, or lab manager. In addition, library books, art, scientific and museum collections are the responsibility of the respective dean, director, department chair or department head.

**N. Self-Assessments:** Self-assessments will be performed periodically as determined by the controller, by Property Management and in collaboration with Internal Audits. Results of the self-assessments will be made available to the sponsor or cognizant government agency upon request.

CSU will perform risk assessments to evaluate the effectiveness and efficiency of its property management system. These risk assessments will be utilized to determine the property system outcomes.

Because of these self-assessments, improvements may be made to the property control system and procedures. Significant deficiencies will be documented and corrected.

## **7. Reference and Cross-References:**

Federal Acquisition Rules (FAR Part 45, FAR 52.245-1, DFARS, NASA FARS, and DOE FARS):  
<http://www.acquisition.gov/far/>

OMB Circulars A110 and A-21 relocated to 2 CFR Part 220 of the Uniform Guidance are located at:  
<https://www.govinfo.gov/app/details/CFR-2012-title2-vol1/CFR-2012-title2-vol1-part220> (a) Recipients and sub-recipients that are institutions of higher education or other non-profit organizations (including hospitals) shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. 7501–7507)

ASTM (E2279-03 Standard for Establishing the Guiding Principles for Property Management):  
<http://www.astm.org/index.shtml>

GASB home page (GASB 34): <http://www.gasb.org/>

NPMA – The College and University Property Manual and Fundamentals of Personal Property Management: <http://www.npma.org/>

Property Management website: <http://busfin.colostate.edu/Depts/PropMgt.aspx>

## **8. Forms and Tools:**

CAM Basic Training (includes information on how to complete a requisition for capital equipment) can be located at  
<http://busfin.colostate.edu/Depts/PropMgt.aspx> (Under the Training Heading)

KFS User's Manual is located at  
[http://busfin.colostate.edu/Resources/Guides\\_Manuals.aspx](http://busfin.colostate.edu/Resources/Guides_Manuals.aspx) (Under the Manuals Heading)

To apply for the CAM Processor Role please fill out the Application for Quali Financial System located at  
<http://busfin.colostate.edu/Resources/Forms.aspx>

Business and Financial Services Guides and Manuals  
[http://busfin.colostate.edu/Resources/Guides\\_Manuals.aspx](http://busfin.colostate.edu/Resources/Guides_Manuals.aspx)