

Memo to: All UH-Downtown/PS Holders
From: Max Castillo, President
Subject: Disposal of Capital Equipment

UH-Downtown/PS 07.A.04
Issue No. 1
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1. PURPOSE

This PS states the policy and procedures relating to the cannibalization of capital equipment and the proper transfer/storage/salvage of capital controlled and non-capital property of the University of Houston – Downtown (UHD).

2. DEFINITIONS

2.1 Cannibalization: The process of taking working parts from one piece of capital equipment and installing into another piece of equipment thereby rendering item as salvage.

2.2 Capital Equipment: Any property costing at least \$1,000.00 and having a useful life of at least one year.

2.3 Controlled items: Items costing between \$500.00 and \$1,000.00 with a life of less than one year that must be recorded in the property system to comply with the State of Texas regulations.

2.4 Non-Capital Equipment: Items which do not meet the dollar value specifications of capital equipment but do have a useful life of one year or more.

2.5 Salvaged Items: Property that is well beyond the condition of its intended usage.

2.6 Storage: Property items that are of no use to the department. Once placed in storage the items become part of the Property Management inventory and subject to auction or transfer to another department. This is not a temporary storage place for departments to place their property.

2.7 Surplus Items: Any University property that no longer fulfills the purpose for which it was acquired.

3. POLICY/PROCEDURES

3.1 Cannibalization of equipment

3.1.1 Individual departments are not authorized to cannibalize UHD capital equipment. Only the Information Resources Department may cannibalize computer equipment and only the Physical Plant Department may cannibalize some items of capital property. Cannibalization will be used as a last resort to make an item operational.

3.1.2 If Information Resources or Physical Plant must cannibalize an item of capital equipment, they must immediately notify Property Management by forwarding an *Equipment Cannibalization Form*, available in Property Management.

3.1.3 Upon receipt of the Equipment Cannibalization Form, Property Management will change the property classification of the item 'J' for unserviceable/junk/cannibalize/salvage, and enter in the comment that the item has been cannibalized. Property Management will also note if the item is expected to be returned to working condition and when (based on the information provided). If an item that had been cannibalized is put back in working order the Department must notify Property Management by forwarding the Equipment Cannibalization Form.

3.2 Transfer of property items to storage/surplus

3.2.1 Property that is not computer or computer related:

3.2.1.1 Property that needs to be removed from a department to storage must first be reported to the Property Custodian of that particular office.

3.2.1.2 The department's Property Custodian must then complete a *Capital Property Transfer/Move Request Form*, available from the Property Manager.

3.2.1.3 The original *Capital Property Transfer/Move Request Form* must be taken to the Property Manager for authorization. Property Management will then check all tagged items to determine classification status and mark those that are capital, controlled or non-capital property equipment. Once this is completed the original form is sent to physical plant with a work order to have items removed to storage.

3.2.1.4 Physical Plant is then to review the *Capital Property Transfer/Move Request Form* checking that proper authorization was given. Items are picked up from the departments by Physical Plant and taken to the warehouse.

3.2.1.5 At the warehouse, the Physical Plant department is to put the capital and controlled equipment in a designated section within the warehouse and the non-capital items are then stored in other areas within the warehouse.

a. Once the property is moved to the storage area a copy of the completed work order must be sent to Property Management/Accounting. Included must be the name of the person (printed) who moved the items, date of removal and signature of person who moved the items.

b. Monthly, the Property Manager is to report to the storage warehouse and conduct an inventory of all items in the warehouse.

3.2.1.6 Items in storage no longer belong to a particular department. Items sent to storage are available to all departments. On FINPMG, items will have a property classification code of 9 (surplus) and be allocated to Property Management (92210). Capital equipment is then designated as surplus to the university.

3.2.1.7 Surplus items will be listed on the state website (<http://www.theccb.state.tx.us>) and the UHD website to be distributed to state agencies and not for profit agencies.

3.2.1.8 If items are accepted by another agency, it is the responsibility of the accepting agency to pick up the items from the UHD campus. When the accepting agency comes to pick up items UHD property tags are then removed from items.

3.2.1.9 Once the items are removed from the campus, they are then removed from the inventory and designated as "INACTIVE" items on the Property Management System.

3.2.2 Property that is a computer or a computer related item.

3.2.2.1 Computer equipment that is no longer required by a department will be reported to the Property Custodian.

3.2.2.2 The department's Property Custodian must then complete a *Capital Property Transfer/Move Request Form*, available from the Property Manager.

3.2.2.3 The original *Capital Property Transfer/Move Request Form* must be taken to the Property Manager for authorization. Property Management will then check all tagged items to determine classification status and mark those that are capital, controlled or non-capital property equipment. Once this is completed the original form is sent to Information Resources to have items removed to storage.

3.2.2.4 Information Resources picks up the items and stores them in the Information Resources storage areas. Items are marked as belonging to Information Resources.

3.2.2.5 Property Management will list items no longer needed by Information Resources as surplus. The items may remain in the IR storage room but should be separated from other equipment and marked "surplus."

3.2.2.6 Complete computers that are in acceptable condition that are not of any possible use to the university are first made available to local school districts. An updated listing is to be made every month and accessible through the Property Management/Accounting department for inquiries. A section on the UHD website will be allocated for the Property Management/Accounting department to place guidelines and appropriated contracts for property inquiries.

3.2.2.7 If items are accepted by another agency, it is the responsibility of the accepting agency to pick up the items from the UHD campus. When the accepting agency comes to pick up items UHD property tags are then removed from items. All hard drives will be completely cleared of software.

3.2.2.8 Once the items are removed from the campus, they are then removed from the inventory and designated as "INACTIVE" items on the Property Management System.

3.2.2.9 Once computers have been on the surplus list for three months they will then be prepared to be sent to the Texas Department of Criminal Justice.

3.2.2.10 Guidelines for Texas Department of Criminal Justice (TDCJ):

a. Computers that are to be sent to TDCJ are first to be itemized by serial number and description. Each piece individually, will be listed and be reexamined for positive removal of all tags and UHD logos and ensure that all hard drives have been cleared.

b. TDCJ will be contacted and provided a list of all equipment to be transferred.

c. If acceptable, TDCJ will pick up the equipment after it has been palletized and shrink-wrapped.

d. Equipment transferred to TDCJ will be coded with a "15" property classification code.

3.3 Transfer of property items to salvage

3.3.1 Property that is not a computer or a computer related item.

3.3.1.1 Items that are well beyond the condition of proper usage may be sent to salvage with proper authorization. The department's Property Custodian must complete a *Capital Property Transfer/Move Request Form* with the requesting destination specifying "SALVAGE."

3.3.1.2 The completed *Capital Property Transfer/Move Request Form* should be forwarded to Property Management/Accounting for authorization. The original form with a completed work order is to then be sent to Physical Plant for removal of items.

3.3.1.3 Salvaged items are then taken down to the first floor and put in the designated area set aside by Physical Plant. All salvaged property must be identified as salvaged items so that physical plant will place these items in the proper area in the warehouse.

3.3.1.4 Once the items are taken to salvage, Physical Plant is to send a copy of the completed *Capital Property Transfer/Move Request Form* to Property Management/Accounting. Included must be the name of the person (printed) who moved the items, date of removal and signature of person who moved the items.

3.3.1.5 A complete list of salvaged items in the warehouse will be updated periodically and kept on record. Salvaged items will be available for transfer to other agencies or sold at public auctions.

3.3.1.6 Once the items are sold or transferred, they are then removed from the inventory and designated as "INACTIVE" items on the Property Management System.

3.3.2 Property that is a computer or a computer related:

3.3.2.1 All problems with computers or computer related property equipment are to be reported to Information Resources.

3.3.2.2 Information Resources then examines the item to determine if it can be repaired. If this is not possible, the item may be cannibalized.

3.3.2.3 Those items that are no longer capable of being used properly are then classified as salvaged items. Information Resources is to erase any memory or software existing on the computer. The appointed technician is to complete a *Cannibalization Form* with the requesting destination specifying "SALVAGE." Once this is completed the original is sent to Property Management/Accounting to receive proper authorization.

3.3.2.4 Once the items are taken to salvage, Information Resources is to send a copy of the completed *Capital Property Transfer/Move Request Form* to Property Management/Accounting. Included must be the name of the person (printed) who moved the items, date of removal and signature of person who moved the items.

3.3.2.5 Salvage computer related equipment is offered to TDCJ. If refused it becomes available for public auction as scrap.

3.3.2.6 When items are picked up by TDCJ they are dropped from the inventory.

4. REVIEW AND RESPONSIBILITIES

Responsible Party (Reviewer): Property Manager

Review: Annually

President