Inventory Policy	Procedure Number	325
	Effective Date	October 1, 2019

1.0 PURPOSE

To establish a uniform system of perpetual inventory in accordance with Arkansas code Annotated 19-4-1501. It is critical that the University of Arkansas-Pulaski Technical College (UA-PTC) provides control and accountability over capitalized equipment and other assets, and that it gathers and maintains information for property belonging to the State of Arkansas.

2.0 REVISION HISTORY

Adopted on:
Revised on:
September 15, 2019

3.0 PERSONS AFFECTED

All UA-PTC personnel assigned UA-PTC owned equipment.

4.1 DEFINITIONS

Property – In this manual asset, property, and equipment are used interchangeably.

Departmental Head – This employee carries out the duties associated with property responsibilities for the department.

Inventory Control– The personnel responsible for both the annual physical property inventory and the tagging of new property as it is acquired.

Capital assets – As defined by state policy, are items such as equipment with an acquisition cost of $5,000 or more

Low Value/High Risk Assets – (Under $5,000) that are easily susceptible to theft or loss are tracked for inventory purposes. These assets include laptops, personal computers, guns, camera and video equipment, printers, projectors, tools, iPads, cell phones, handheld radios, and any other items the University determines are susceptible to theft or loss.

Responsible Party – The individual responsible for ownership and whereabouts of any particular property.

5.1 PROCEDURE

The procedures outlined herein must be followed to ensure compliance with the State of Arkansas Inventory Regulations and to support the University of Arkansas - Pulaski Technical College (UA-PTC) Policy to enable UA-PTC to maintain a perpetual equipment inventory system.

5.2 Duties and Responsibilities Overview

When assets are received they are tagged, and recorded by Inventory Control. The tagging of assets shall be decided and completed as per State of Arkansas Requirements. Tagging of incoming goods should be done within five (5) working days. Inventory Control will determine who the responsible person will be and if unsuccessful after five days, Inventory Control will automatically assign the requestor or Department Head as the responsible party. All assets will be recorded and uploaded into the inventory tracking system regularly and a copies of any pertinent documentation will be kept on file.

If the asset is acquired through means other than being received through the Mail and Shipping Department, purchased and or delivered directly to a department, it is the Department Head's responsibility to notify Inventory Control of the acquisition so that the item(s) can be tagged and recorded into the system.

Inventory Control will perform an annual physical inventory in each department and must physically verify the location and tag number on all UA-PTC property recorded in the inventory database.

After the completion of the physical inventory, the Inventory Control will report the findings to the Department Head for review and action if required. The Department Head has fifteen (15) working days to respond if necessary. All missing property will be reported to Public Safety for investigation if not previously reported by the department and will continue to be investigated by Inventory Control until all possible leads have been exhausted.

5.3 Changes to Inventory

Throughout the year, the Inventory Control personnel must be notified by the department when changes, which affect the accuracy of the inventory records, occur. These changes must be documented by forwarding a Transfer Form; Off-Campus form; or Release of Accountability Form to the Inventory Control.

UA-PTC property will be inventoried annually in the following manner:

- A memo and updated copy of the departmental inventory listing will be sent to each department, or responsible party, annually by the Inventory Control prior to performing a physical inventory, by area. The notice will inform the department, or responsible party, of what is expected when Inventory Control will arrive and to which areas.
- An inventory list, marked with any changes necessary to building/room location, responsible party, or asset, will be updated. After the audit any changes requested by the department must be sent to Inventory Control.
- Inventory Control must check the inventory report as follows:

    A. Match the property tag number on the report with the property tag number on each item of equipment. NOTE: If a tag number is discovered missing from an

item of equipment, the item will need to be retagged. Please note, “retag” or “RT” beside the property tag number on the report.

B. Check location of item - Building and Room – and make any necessary changes. NOTE: Any “0000” or blank locations need to be completed with correct location.
C. Check to ensure the person assigned at the responsible party is the correct person.
D. Make sure the description of an item adequately describes that equipment. If necessary change the wording of a description or add additional information to help locate an item more quickly in the future, and update the report as needed.
E. Make sure that the manufacturer listed is the brand name, NOT the vendor name. Manufacturer names apply to computers, printers, copiers, cameras, etc.
F. Check the serial numbers for accuracy on items where applicable.
G. Verify the existence and the location of equipment that has not been found in the recorded location.
H. Inventory lists used for the purpose of inventory maintenance will be signed, dated and initialized, and saved on file.
I. An annual master inventory spreadsheet will be kept on file and updated as required to match any findings determined through the inventory reporting process.

- If a tag cannot be scanned because it is damaged or dirty, the tag number will be subsequently reissued.
- Any items found at the location that do not have a tag number, and are not listed on the worksheet, and are not personal property will be investigated, tagged if necessary, and recorded as well.
- Upon completion of the physical inventory, any items determined to be missing will need to be reported to the Department Head by Inventory Control.
- The Department Head will have fifteen (15) days to locate the property and arrange for Inventory Control to make a visual confirmation. If the property is not located, and the Department Head has not already filed a missing property report with Public Safety, Inventory Control will report the property missing to Public Safety and will forward a copy of the report to the Department Head responsible for the property.
- Release of accountability for property lost, missing, or stolen will be approved only after investigation by Inventory Control. Missing or lost equipment will not be removed from the official records of UA-PTC until after a year. The approved Lost, Missing, or Stolen Property Reports will be forwarded to the Department of Finance Administration (DF&A) with a copy of Public Safety’s Police report. DF&A will decide to authorize removal from Inventory records.
- After collecting the inventory data, the inventory results will be investigated for reconciliation and exception processing.

5.4 Department Head

Department Heads are delegated the responsibility of maintaining proper accountability and control of the property within their jurisdiction. Fulfillment of these responsibilities on behalf of the Department Head may be delegated but the ultimate responsibility remains with the Department Head. Specific responsibilities regarding UA-PTC property are as follows:

A. Know the location of all equipment in their inventory and assure that such equipment is reasonably secure from possible theft and other hazards. Report any changes in location to Inventory Control. This is critical and essential for management purposes.

B. Assure that assigned equipment is being used in the best interest of the UA-PTC.

C. Provide assistance as needed to Inventory Control personnel who are taking inventory or placing identification tags on equipment.

D. Review, verify and respond to an annual inventory report of the status of departmental inventory provided by Inventory Control and complete all required actions prompted by the findings of the annual inventory within fifteen (15) working days of receipt. Those actions include, but are not limited to, identifying any equipment not currently on inventory list, preparing a written request to Public Safety to investigate missing property, and preparing written documentation attesting to the disposition of any property due to loss, transfer, cannibalization, etc. In the event a response from the Department Head is not received regarding property that cannot be located within the allowed time, Inventory Control will report that property as missing with Public Safety for formal investigation.

E. Discourage theft and loss of UA-PTC property by fixing responsibility.

F. Department Heads must assure that their faculty, staff and students are informed that property acquired for a specific individual's use remains UA-PTC-owned property after the individual's position is terminated.

G. Department Heads are responsible for conducting an annual inventory review to ensure all items are accounted for. The Inventory Control Department will be responsible for the scheduling and notification to Department Heads of when their inventory should be assessed.

5.5 Reporting Movement of UA-PTC Equipment-Request to Relocate Form

The Request to Relocate Form, https://uaptc.edu/business_finance/purchasing, is used for department transfers to keep accurate records and prevent misuse or loss of UA-PTC property, as well as, the updated location, custody, and maintenance of such property.

UA-PTC property should only be used for official purposes. Generally, no one is permitted to remove, from the UA-PTC premises, any property belonging to UA-PTC, even though it has been purchased with grant funds, or may seem to be of no value.

Written permission may be granted by the appropriate Department Head, Dean or Director to take property off-campus. Permission to remove property from campus should be done with a Property Located Off-Campus Form, this is addressed elsewhere within this policy.

5.6 Missing Property

When property cannot be located, the Department Head should immediately conduct a search of transferred property. It must also be verified that the property has not been turned into Marketing and Redistribution (M&R) located in the Mail & Shipping Department. The last recorded location should be checked. If the property is considered lost, missing, stolen, etc., the Department Head should complete the Release of Accountability Form, https://uaptc.edu/business_finance/purchasing, attach a memo describing what is believed to have happened to the item(s), and send it to Inventory Control.

If a theft has occurred, Public Safety should be notified immediately. A copy of the Police report must accompany the Release of Accountability Form and sent to Inventory Control. This is required by Act 876 of 1973, [Ark. Code 19-4-1501]. It is necessary to take these steps before deleting the missing property from the inventory records. These reports become a part of the agency's property records used for a Legislative Audit.

5.7 Transference of Property

To Transfer Property between departments:

When an item is transferred from one department or individual, to another, both parties involved, should fill out the Transfer Form, https://uaptc.edu/business_finance/purchasing. After the form is completely filled by both parties, the original form should be forwarded to Inventory Control. Only then will the inventory records be updated and a copy of the completed form will be sent back to both parties. Unless the transfer form is sent to Inventory Control the individual(s) listed as the responsible party will not be updated.

Physical Plant is the only department authorized to physically relocate tagged property such as, computers, office furniture, or larger equipment from one location to another. The only exceptions are small devices designed to be portable such as laptops, IPADS, and general office supplies. Departments wishing to move larger items on their own must first obtain authorization from Physical Plant. A finalized Transfer Form must be provided to Physical Plant at the time of the request.

**retain a copy. If a signature is missing, the form will be returned and the move will be unauthorized.

To Relocate Property (Same Department):

If the item is remaining within the same department but is transferred to a different location (outside of the current location), an email notification to Inventory Control will suffice if it contains the following information and authorization, as above, from Physical Plant will still be required to relocate property:

Asset tag number

Description of item (Please include model and manufacturer if known)

Serial number

New location

***This does not include changing the responsible party. Please use the Transfer form if assigning a new responsible party.

5.8 Donated Equipment

Donations to UA-PTC from other sources require written notification to be sent to the UA-PTC Foundation department. Include the name of the donor, a description of the equipment, date of the donation, and the Fair Market Value at the time of donation. Donated equipment must be properly tagged and added to the department's records. Authorization must be obtained from Foundation prior to acceptance of any donations.

Donations from UA-PTC to another agency require authorization via a Donation of Equipment Form. Send the form to Inventory Control before donating equipment. All donations must be made through the Procurement Services and the State Marketing & Redistribution Office. Adjustments will be made in the property management system as necessary.

5.9 M&R

All state property must be disposed of within the guidelines of the State of Arkansas Inventory Regulations. Any department disposing of surplus, (no longer needed, obsolete, or damaged), equipment must complete an M&R request through the UA-PTC portal. The Mail and Shipping Department will pick up equipment requested to be sent to M&R regularly.

***** DO NOT THROW STATE PROPERTY AWAY REGARDLESS OF COST, IT IS ILLEGAL*****

5.10 Individual Employee Inventory

When Inventory Control is notified of an employee status change, to include Termination/Retiring/Moving to another department, an inventory of the persons' responsible items and location will be conducted. After the inventory is performed, a transfer form has to be completed. The persons' items will be transferred to the next known responsible person or automatically transferred to the Department Head until further notice. An employee's last paycheck may be held until the individual's inventory has been located.

To control the number of lost, or missing items, employees are only allowed one of any type of personal use items. More specifically, only one of each type of personal use tagged electronic device can be issued to one person at any one time, this restriction applies specifically to personal computers, laptops, and IPADS, but can apply to other items when needed. Prior to acquisition of a secondary personal use item individuals shall submit disposal documentation of their current equipment or, provide justification as to why they are exempt from this requirement, to the Purchasing Department.

5.11 Property Located Off-Campus Form

The Property Located Off-Campus Form is used to ensure accurate records of property belonging to UA-PTC located at home or constantly taken on and off campus. The Off-Campus Form must be filled out as needed and the original should be forwarded to Inventory Control with a copy kept on file by the department.

The person or official representative of the entity to which the property is temporarily assigned must utilize the property for UA-PTC-related business or activities, and agree to assume responsibility for the property during the time it is removed.

UA-PTC shall not be responsible for any damage done to the real or personal property of the employee as a consequence of the use or possession of the equipment. The person requesting the use of the equipment shall accept personal responsibility for any damage that occurs to the equipment as a result of misuse or abuse while he/she has possession of the equipment.

**Penalty for equipment that is damaged due to misuse or abuse may result in a charge for the employee at the fair market value for the damaged items.

5.12 Loss/Stolen equipment

When property on record cannot be located, the Department Head should immediately appoint an individual with supervisory or managerial responsibility to investigate the case and present the facts. A memorandum should be written to the appointed individual by the Department Head notifying the individual of his/her investigative duties. The appointed individual should proceed in the following manner:

1. Obtain the full identification of the missing property and last recorded location from Inventory Control.

2. Check the last recorded location and adjacent areas. An interview should be conducted with all individuals assigned to the area where the missing property was last located according to the property records.

3. Conduct a search of property disposal and transfer documents to see if the property could have been turned in to Marketing and Redistribution or transferred to another agency.

4. Establish whether the property involved may have been temporarily loaned to other areas. If so, the areas identified should be searched in an attempt to locate the missing property.

5. If at any time during the investigation it is suspected that a theft has occurred, the matter should immediately be brought to the attention of the Department Head. If after notification the Department Head also suspects theft, the appropriate law enforcement official(s) and Inventory Control should be contacted for investigation and further action as warranted.

6. If at any time during the investigation process the missing property is located, Inventory Control should be notified so that proper location shall be recorded in the Inventory data base.

Any suspected theft of property must be reported to the Police Department. Theft occurs when an item is known to have been taken without permission. Contact the Police Department and report the stolen item(s) immediately upon discovering the theft. Complete a Release of Accountability form and send it to Inventory Control with the Police Report attached.

Equipment is considered missing when the Department Head does not know where it is located. The item may have been moved to another location within the department without notifying the Department Head. Missing equipment may ultimately be classified as stolen after an internal investigation has eliminated other potential locations.

Security Measures

Promptly report all missing or stolen equipment to Public Safety and Inventory Control. Some suggestions for security include:

- Avoid leaving offices, classrooms or laboratories unlocked when unattended.
- Lock small and valuable equipment in cabinets and drawers when not in use.
- Record manufacturer's serial numbers on department records for sensitive or theft-prone items under the threshold to meet requirements for tagging.
- Secure by bolting, or other means, personal computers and other portable equipment to discourage thefts.
- On a regular basis, convey to all faculty and staff in your area, the importance of being vigilant in the care of UA-PTC property.

***Note: Do not use the term "missing" if you know the item is stolen. If any equipment is discovered missing during annual inventory or during a spot check, the department will have two weeks to search for the missing equipment. If the equipment is not found during this time, report it to the UA-PTC Police**.

5.13 Outgoing Shipment Form

Departments requesting to return any material or equipment to vendors must complete an Outgoing Shipment Form, https://uaptc.edu/business_finance/purchasing. Whether it is for repair, or a return for credit or replacement, the carrier (UPS, Common Carrier, Vendor representative) must sign this form. If the vendor providing the repair indicates that the equipment is not repairable, the repair shop must return the equipment to UA-PTC. If this is a problem, call Inventory Control to request special arrangements.

5.14 Trade-Ins

For trade-ins of equipment for vendor discounts or other incentives, please contact the Shipping & Receiving Department. The Shipping & Receiving Department must request permission from the state for this transaction. Items cannot be dispatched without approval from the state.

5.15 Spot Checks

Two types of spot checks are done annually: one made by the Office of Inventory Control and another one performed by State Legislative Auditors.

The Inventory Control Department will spot-check ten percent of the equipment in each department or one hundred percent of the equipment in a particular room two or three times a year. If any items are found to be missing at that time, another ten percent will be spot-checked. If any items are not found at that point, the department will be required to recheck its entire inventory. This is not a policing action by Inventory Control but rather a state required procedure.

The State Legislative Auditors perform an annual random spot check on University property. Equipment in various departments will be checked.

5.16 Inventory Forms

To obtain copies of all forms please visit the UA-PTC website under the Purchasing Department, https://uaptc.edu/business_finance/purchasing.

REQUIRED APPROVALS	NAME/SIGNATURE	DATE
Originator(s) Name(s)	UA-PTC Policy Review	October, 2018
Ratified by	Emily Fisher, UA-PTC Director of Purchasing, Contracts & Travel	September 15, 2019
Recommended by Chancellor (Signature)	Margaret Ellibee	October 1, 2019