UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATIVE MEMORANDUM

SECTION: Fiscal Affairs NUMBER: 03.E.02

AREA: Physical Property

SUBJECT: Property Management

1. PURPOSE

The University of Houston System is responsible for complying with state and federal rules for property accountability and control. The purpose of this document is to outline the roles and responsibilities associated with accountability and control for capital and controlled assets.

2. POLICY STATEMENT

As required by state law, the president of each university is required to ensure that the institution maintain adequate control over capital and controlled assets. The president of each university shall designate a property manager to carry out the manager duties in accordance with state and federal guidelines.

3. DEFINITIONS

- 3.1. <u>Capital Assets</u>: Possessions that have a single unit value of \$5,000 or greater and an estimated useful life of more than one year. Generally, a capital asset must be self-contained for its primary use and have sufficient size to make its control feasible by means of marking with identification numbers and/or manufacturer's serial numbers. Items not meeting these criteria are classified as expendable, with generally two exceptions.
 - 3.1.1. Component parts used to fabricate a larger capital asset assembly must be coded as capital expenditures; and
 - 3.1.2. Freight, transportation costs, and/or installation fees associated with the purchase of capital assets or components must be coded as capital expenditures.
- 3.2. <u>Controlled Assets</u>: Assets that the State Comptroller's office determines must be secured and tracked due to the nature of the items, between the ranges of \$500 and \$4,999.99, with an estimated useful life of more than one year. These assets are not capitalized assets, real property, improvements to real property, or infrastructure. The specific assets include firearms, TVs, portable cameras,

- video players and recorders, sound systems and audio equipment, data projectors, laptops, handheld devices such as tablets and cell phones, and microcomputers.
- 3.3. <u>Property Management</u>: Property Management is responsible for promulgating guidelines to help ensure compliance with all applicable rules related to accounting for and control of capital and controlled assets. Property Management is also responsible for communicating applicable rules to the university departments. Property Management will notify department heads, deans and divisional heads of any instances of non-compliance with Property Management guidelines, as appropriate.
- 3.4. Property Custodians: Each college, division, department and unit administrator are responsible for ensuring compliance with Property Management guidelines and are required to appoint a property custodian to perform the duties specified in the Property Management guidelines. In addition to compliance with Property Management Guidelines, college, division, department, and unit administrators are also responsible for working with Information Technology to help ensure the appropriate disposal of data-processing equipment or data storage devices that are not capitalized or controlled.
- 4. REVIEW AND RESPONSIBILITY

5.

Responsible Party:	Associate Vice Chancellor for Finance
Review:	Every five years
APPROVAL	
Approved:	/Raymond Bartlett/

	Senior Vice Chancellor for Administration and Finance		
		/Renu Khator/	
	Chancellor		
Date:		September 22, 2021	