

# UC Davis Policy and Procedure Manual

## Chapter 350, Supplies and Equipment

### Section 55, Care and Control of Equipment

Date: 11/2/05

Supersedes: 2/10/97

Responsible Department: Capital Asset Accounting and Equipment Management

Source Document: Business and Finance Bulletin BUS-29, Management and Control of Inventorial Equipment

---

#### I. Purpose

This section outlines policy regarding the care and control of inventorial equipment in the custody of departments, including location, security, utilization, storage and movement, segregation and commingling, maintenance, inventories, and record keeping. This policy also addresses personal use of University property and personally owned equipment located on university property. Additional policy on Medical Center equipment may be obtained in the UCDHS Hospital Policies & Procedures Manual, Sections 1653, 1655, 2242, 2243, and 2245.

#### II. Definition

Department head—a University representative with ultimate administrative oversight and budgetary responsibility for any teaching, research, or administrative organizational unit or UCDMC cost center, service, or function.

#### III. Policy

- A. The department head, and the principal investigator if a contract or grant is involved, have the primary responsibility for the care, maintenance, records, and control of equipment in their custody, including equipment acquired under the terms of a contract or grant.
- B. The department head, and the principal investigator if a contract or grant is involved, are responsible for submitting a biennial equipment certification form acknowledging the completion of a physical inventory of inventorial equipment in the care of the department.
- C. The physical location of each item of inventorial equipment must be maintained by entering the building and room number in the DaFIS Capital Asset Management System (CAMS). The department must ensure that the CAMS record is updated in a timely manner to reflect any movement of equipment such that an item can be located for inspection or verification within a 24-hour period.
- D. Use of University material, or property in the care and custody of the University, by University employees for personal purposes is not allowed except with the approval of the Chancellor or designee.

#### IV. Procedures

- A. Department Asset Representative

The department head shall designate a department asset representative (asset custodian) to physically inventory, monitor, and track inventorial equipment and ensure department records are accurate. The asset representative is required to complete CAMS training prior to undertaking the care and control of inventorial equipment. For equipment acquired with a contract or grant, the asset representative must notify the Equipment Management Department in writing as to

provisions and restrictions of each contract or grant including the care, custody, maintenance, records, control, and use of the equipment.

B. Biennial Equipment Certification

1. For inventorial control purposes, inventorial equipment is assigned to a departmental custody code and the custody code is assigned a certification cycle. The department must submit the original, signed certification form to the Equipment Management Department by the established due date and retain a copy of the certification form for two years. Failure to submit the biennial certification form by the established due date, or to retain a copy of the form in the departmental records will result in a notification of noncompliance to the appropriate dean, vice chancellor, or UCDMC associate director or their designee.
  - a. For cycle 1 custody codes, the biennial equipment certification form is due October 31 of every odd-numbered year.
  - b. For cycle 2 custody codes, the biennial equipment certification form is due October 31 of every even-numbered year.
2. The biennial equipment certification form requires the signatures of the department head and asset representative. The signature of the principal investigator is also required if the custody code includes inventorial equipment acquired with contract or grant funds. The department head must ensure that the signatures on the form are appropriate and correspond with the list of authorized signatures maintained on the Capital Asset Accounting & Equipment Management Web site. The department head must report any changes to authorized personnel immediately by submitting the online Departmental Information Update form.
3. Equipment Management forms (biennial certification or departmental information update), the certification cycle of custody codes, the list of authorized signatures for custody codes, and information on the physical inventory and certification process are available at the Capital Asset Accounting & Equipment Web site (<http://accounting.ucdavis.edu/CA>).

C. Physical security

The department head, and the principal investigator if a contract or grant is involved, shall make adequate provision for the physical security of equipment in their custody. Areas containing equipment shall 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 or theft-sensitive items.

D. Utilization of equipment

1. University inventorial equipment

At least annually the department head shall review the use of University inventorial equipment in the custody of that department. Any equipment that is not needed shall be reported to the Bargain Barn for inclusion in a list of excess and surplus property sales. This list is posted on the Bargain Barn Web site and advertised to all UCD departments and other UC campuses for the purpose of utilizing University equipment to the fullest extent. (See also Section 350-80.)

2. Government property

The department head and the principal investigator shall restrict the utilization of property acquired for use under a specific contract or grant to the purposes of the contract or grant. Records of the authorization and current use of equipment shall be accurately maintained. Current equipment needs shall be periodically reviewed so that excess items may be identified. The principal investigator shall immediately inform the contract or grant agency and request disposition of equipment for which retention is not justified or when it is desirable to use the equipment on another contract. Once instructions have been received, the department must notify the Equipment Management Department of the action taken.

3. Personally owned equipment

- a. If a University employee keeps personally owned equipment on University owned or leased property, it should be labeled to identify it as the property of the owner. The University is not responsible for loss of or damage to the equipment. Personally owned equipment may be loaned to the University; such loans must be documented by means of an Equipment Loan Agreement (see IV.I.3, below, and Section 350-65).
- b. Under no circumstances shall University funds be used to purchase component parts or assemblies for installation in employee-owned equipment.

E. Storage and movement

When equipment is temporarily idle but required for authorized future use, it must be stored in accordance with sound business practices with adequate protection from corrosion, contamination, and damage to sensitive parts. Sludge and other damaging materials shall be removed from equipment. Notation of the storage location shall be made on the CAMS records (see III.C above). The equipment must be adequately protected while being moved. This entails proper packing, covering, skidding, equipment handling techniques, and safety precautions. Government equipment may be moved to off-campus sites only with the prior approval of the government agency's property administrator. A shipping document, transfer document, or similar instrument must be obtained. (Refer to Section 370-30 for information regarding insurance coverage for equipment moved off-campus.)

F. Segregation and commingling

Government property is usually physically separated from University property. However, when it is consistent with the best use of the property in carrying out the terms of the contract, the property may be commingled if prior approval of the government agency's property administrator has been secured. This provision does not modify the requirement for identification and recording of the government equipment.

G. Care and maintenance

The department shall provide the care necessary to maintain the equipment in the condition received or better, normal wear excepted, in order that the most useful life is secured. The maintenance program shall be preventive 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 written approval of the property administrator must be obtained prior to effecting any major repair or rehabilitation at the cost of the government.

H. Physical inventories

1. Inventorial equipment

- a. The custodial department shall take a physical inventory at least once every two years.
- b. The Equipment Management Department will inform the appropriate vice chancellor, dean, or their designee when departments are more than 30 days delinquent in completing their physical inventory.
- c. When there is a change of department head, the department shall take a physical inventory of the department's equipment.
- d. Equipment Management Department staff shall verify University physical inventory by taking a statistical sampling at least once every two years.
- e. Equipment Management Department staff shall take special inventories of equipment jointly with department staff when required by the terms of an extramural contract or grant.

2. Government property other than inventorial equipment

If required by the terms and conditions of the contract or grant, the principal investigator, periodically takes a physical inventory of government property (except materials issued from stock) in the department's possession or control. Such periodical inventories are normally limited to materials, special tooling, minor plant equipment held in stock and stores, special test equipment, and other plant equipment. The type and frequency of physical inventory and the procedures are as established by the University and approved by the property administrator for each contract or grant.

3. Inventories upon termination or completion of a government contract or grant

If required by the terms and conditions of the contract or grant, the department and the principal investigator performs a physical inventory adequate for disposal purposes of all government property applicable to the terminated or completed contract or grant. Disposition instructions are requested from the agency. In submitting a terminal inventory to the agency, the University certifies that all materials, supplies, and equipment that were furnished to the University by the government for use on the contract or grant, or for which the University has been or will be reimbursed by the government under the terms of the contract or grant, if not specifically included in the inventory, were expended in performance of the work called for by the contract or grant.

I. Reporting changes in departmental equipment inventory

The department is responsible for the prompt reporting of all changes in its equipment inventory. Such changes include loans, transfers, disposal, relocation, modification, fabrication, theft, loss, or damage. Changes are reported on the following forms:

1. CAMS Documents
  - a. Asset Transfer (AT) document--used to report equipment transferred or sold to another department.
  - b. Asset Retirement (AR) document—used to report the disposition of assets removed from inventory or the transfer of equipment to another campus or university.
  - c. Equipment Loan and Return (ELR) document—used to report loans to another department or off-campus user.
  - d. Add Asset (AA) document—used to report newly acquired equipment.
2. Bargain Barn Excess/Surplus Property (Calcode 71461-230)--used to report transfer to another department or campus; items sold or salvaged. (See Section 350-80.)
3. Equipment Loan Agreement (available from Business Contracts or the DaFIS Website)--used to report loans from individuals or outside agencies, except from a government agency (including the Lawrence Laboratories and LANL). (See Section 350-65.)
4. Gift/Private Grant Acceptance Report, Form UDEV 100-3 (Calcode 71461-257)--used to report gifts from a source other than the government (including the Lawrence Laboratories and LANL). (See Section 260-25.)
5. Report of Property Loss or Damage (available from Risk Management Services, <http://rms.ucdavis.edu>)--used to report theft or damage. (See Section 350-85.)

J. Special reports

When special reports covering equipment are required by an agency and/or requested by the Equipment Management Department, the principal investigator or department head shall furnish whatever descriptive and operating technical data may be necessary to enable the Equipment Management Department and other departments involved to meet the reporting requirements.

**V. References and Related Policies**

- A. Business & Finance Bulletin BUS-29, Management and Control of Inventorial Equipment, 8/1/94.
- B. Business & Finance Bulletin BUS-38, Disposal of Excess Material and Transfer of Federally Funded University-Owned Material, 6/14/91.
- C. UCD Policy & Procedure Manual:
  1. Section 260-25, Gift Reporting Procedures.
  2. Section 330-11, Departmental Financial Administrative Controls and Segregation of Duties.
  3. Section 350-50, Classification of Inventorial Equipment.
  4. Section 350-51, Identification of Equipment.

5. Section 350-65, Loans, Gifts, and Transfers of Equipment.
6. Section 350-70, Movement of University Property.
7. Section 350-75, Fabrication and Modification of Equipment.
8. Section 350-80, Disposition of Excess and Surplus Property.
9. Section 350-85, Loss of or Damage to University Property.
10. Section 370-30, University Property Insurance.