

Inventory Procedures

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Appendix

Summary of Inventory Forms and other various information:

ncy Department Names and Codes

<http://agrillifeforms.tamu.edu/inventory/dept-names-codes.pdf>

Class Codes

<http://agrillifeforms.tamu.edu/inventory/object-class-codes.xls>

Condition Codes

<http://agrillifeforms.tamu.edu/inventory/conditioncodes.xls>

Other Codes

<http://agrillifeforms.tamu.edu/inventory/othercodes.xls>

- Availability
- Source
- How Tagged
- Purpose
- Restriction

Capital Outlay, Notice of (AG-300)

<http://agrillifeas.tamu.edu/library/pdf/forms/ag-300.pdf>

Property Transfer (AG-301)

<http://agrillifeas.tamu.edu/library/pdf/forms/ag-301.pdf>

Inventory Deletion Request (AG-302)

<http://agrillifeas.tamu.edu/library/pdf/forms/ag-302.pdf>

Request to Sell Inventory (AG-303)

<http://agrillifeas.tamu.edu/library/pdf/forms/ag-303.pdf>

Sold Items to be Removed from Inventory (AG-304)

<http://agrillifeas.tamu.edu/library/pdf/forms/ag-304.pdf>

Quarterly Livestock Report (AG-305)

<http://agrillifeas.tamu.edu/library/pdf/forms/ag-305.pdf>

Request to Demolish Property Valued Over \$25,000

<http://agrillifeas.tamu.edu/library/pdf/forms/ag-306.pdf>

Gifts & Reclassifications (AG-307)

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-307.pdf>

Missing and Stolen Property Report (AG-308)

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-308.pdf>

Inventory of Consumable Supplies and Materials (AG-309)

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-309.pdf>

Summary of Farm Products (AG-310)

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-310.pdf>

Property Used Away from Assigned Location (AG-311)

<http://agrilifeforms.tamu.edu/ag-311.doc>

Inventory Software Removal Certification (AG-312)

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-312.pdf>

Repair Receipt Form (AG-313)

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-313.pdf>

Equipment Pick Up or Transfer Form (AG-318)

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-318.pdf>

Preliminary Certification of Physical Inventory or Property (AG-319)

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-319.pdf>

Annual Certification of Physical Inventory of Property (AG-320)

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-320.pdf>

Request to Demolish Property Valued Under \$25,000

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-324.pdf>

Equipment Sign Out Log

FAMIS FFX Screens

<http://agrilifeforms.tamu.edu/inventory/ffx-screens.pdf>

- List of Screens and what they are used for
- Instructions for looking up the information/screens

Online Transfer Procedures

<http://agrilifeas.tamu.edu/library/pdf/inventory/online-transfers-in-canopy.pdf>

Laserfiche Department Folders

<http://agrilifeas.tamu.edu/library/pdf/inventory/laserfiche-folders.pdf>

Cash Management

<http://agrilifeas.tamu.edu/fiscal/cash-mgmt/>

1.00 Purpose and Scope

The purpose of these procedures is to identify items eligible for inventory and to provide through detail and from examples, procedures for addition and removal of items and livestock from inventory.

2.00 General

- 2.01 Inventory procedures for Texas A&M AgriLife Research and Extension Service contained in this procedure are in accordance with the State Property Accounting System Policy and Procedures Manual, April, 2010, and the Texas A&M University System Equipment Manual September, 2004.
- 2.02 Personal property shall be defined as any possession of the State of Texas having sufficient value to warrant inclusion in the fixed asset portion of any official statement(s) of financial condition, or any possession of the State of Texas, that due to the nature of the asset is required to have management controls placed upon it. This does not include consumable items or real property.
- 2.03 Real property shall be defined as land or building, facilities and other improvements to land or buildings or infrastructure.
- 2.04 Equipment is to be divided into two categories:
- A. Capitalized Assets – Possessions that meet the personal criteria and that have a single unit value of \$5000 or greater and an estimated useful life of more than one year.
 - B. Controlled Assets - Are non-capital. Specific possessions that qualify as personal property but does not meet the capitalization threshold, must be secured and tracked due to the nature of them being considered high-risk items. The dollar amount is \$500.00, with the exception of rifles and hand guns which start at \$0.01. Less than threshold items can be kept track of internally.
 - C. A list of capital and controlled items are following “how to fill out a capital outlay” in the appendix.
- 2.05 Within the capitalized and controlled asset range, there are two other categories to be included as inventory.
- A. Debt-Financed Assets - Personal property financed with debt instruments such as commercial paper, general obligation bonds or revenue bonds.
 - B. Equipment Held in Trust - Possessions held by an agency on behalf of a non-state entity and under the temporary control of the agency, but not used.
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3.00 Procedures

- 3.01 Acquisition of Property
- A. Purchases
 - 1. On all purchases involving items eligible for inventory preliminary fixed asset information must be created on screens 360-362 in either FAMIS or in Canopy.

2. If assets are not put on in the Preliminary Fixed Asset module and payment it made, then the AG-301 Capital Outlay form is to be used.
3. Preliminary fixed asset information is not required for the purchase of livestock and poultry.

B. Types of Purchases

1. Replacements are items that replace an internal or external part of personal property that allows the property to complete its normal useful life. These do not go on inventory if the replacement is for worn parts, regardless of the cost.
2. Betterments are an improvement to personal property that materially increases the property's serviceability or useful life or both. Betterments must be inventoried as additions to existing assets. Following are criteria that apply:
 - a. The betterment must become a component part of the existing item along with any one or combination of the criteria listed in the following three cases:
 - b. The cost of the betterment increases the existing asset's value by 25% or more, and or,
 - c. The betterment increases the useful life (meaning it will last longer than it normally would have) of the existing asset, and or,
 - d. The betterment increases the serviceability (meaning that one can do more things with the asset) of the existing asset.
3. Lump Sums or Systems are those where there are many items bought and each is less than the threshold but all items must go together to make the asset functional.

Split payments are those where one asset is bought but it is split between two funds (where there are two vouchers involved), then there has to be fixed asset information for both vouchers for each voucher's amount.

4. Constructed - Fabricated - property is property that a department builds from scratch. Criteria are as follows:
 - a. The completed fabricated item will have a useful life of more than one year and an expected completion value of \$5000.00 or more, including labor cost, making the item a capital item, or,
 - b. The completed fabricated item is on the listing for controlled items and will have a useful life of more than one year and an expected completion value between \$500 and \$4,999, including labor cost making it a controlled item.
 - c. The following go into the value of the fabricated item:
 1. Any purchased materials and/or parts that become part of the asset. Use class code 8733.
 2. The fair market value of any donated materials that become part of the asset (which does not necessarily have a readily determinable dollar value).

3. Labor cost.
4. If the item is a short term fabrication (less than 3 months) the class code will be what it will become.
5. Once the long-term fabrication is completed then complete a Gifts and Reclassifications Form AG-307, filling out the lower half and putting it on with correct description and value.

<http://agriflifeas.tamu.edu/library/pdf/forms/ag-307.pdf>

5. Joint purchases are when different Texas A&M University System Members jointly pay for a piece of property. Generally, the owner of the equipment is whoever pays the most for the property. In cases such as this, each different System Members will issue an asset number/tag number for their payment for the same piece of equipment, where the asset/tag number of the owner is what will be used. Each asset should in the end have only **one** number no matter how many System Members paid for it.
 - a. Once the item is on inventory, then the non-owner Member will initiate the transfer paperwork, transferring the amount of the asset to the owner of the property.
 - b. List of System Members is in the appendix.
6. Leased Personal Property is where equipment should be capitalized if the lease agreement meets any one of the following criteria:
 - a. The lease transfers ownership of the property to the lessee by the end of the lease term.
 - b. The lease contains a bargain purchase price.
 - c. The lease term is equal to 75% or more of the estimated economic life of the lease property.
 - d. The present value of the minimum lease payments at the inception of the lease, excluding executory cost, equals at least 90% of the fair value of the leased property.

7. Used Equipment

Sometime it is necessary or advantageous to purchase used or demonstrator equipment and supplies. The most common reasons are:

- a. The inability to secure new equipment,
- b. Lack of adequate funds for new equipment, or
- c. Used equipment will satisfy the agency's need at a substantial savings.

Purchases of used and demonstrator equipment costing more that \$5000 but less than \$10,000 are to be processed as follows:

1. Obtain a minimum of three bids where possible. Unit will solicit bids (informal) following Texas A&M AgriLife Purchasing guidelines for all used equipment purchases. If for \$10,000 and up, certified purchase requisitions must be submitted.
2. State in the informal invitation-to-bid specifications: “Demonstrator, refurbished or used equipment may be bid. Demonstrator and refurbished equipment must carry new equipment warranty. Used equipment must be certified as maintainable. The general appearance of the equipment must be acceptable to the Agency. The Agency reserves the right to refuse to accept any equipment with excess wear, scratches, or dents.”
3. If only one bid is received, prepare a statement as to why no competition exists.
4. Provide a letter or signed statement from the bidder or bidders guaranteeing quality and condition of the merchandise offered.
5. Provide a letter from the unit head giving reasons why it is necessary to purchase used merchandise and the approximate cost of same if purchased new.
6. Provide a letter from a responsible person from the unit which:
 - States that the equipment or supplies have been personally examined,
 - Describes the condition and value of the equipment for supplies.

Submit the above documentation with the applicable purchase order and bid tabulation for, i.e. extended spot, to the Texas A&M AgriLife Purchasing Office following purchasing procedures if using Research and Extension funding. Submit a certified requisition with attached documentation over \$10,000.

If the used equipment is offered by a Qualified Information System Vender on catalogue, catalogue purchase procedures shall be followed and Texas A&M AgriLife Purchasing Office will handle formal catalogue request.

If the used equipment is less than \$5000.00 procedures 7.4, 7.5, and 7.6 from above must be followed and submitted with payment.

8. Receipt and Numbering of Property
 - a. Purchase vouchers should be submitted upon receipt and verification of the property.
 - b. Each department will be assigned a block of inventory numbers. Within ten (10) working days of receipt of property, the item should be properly tagged or marked with an assigned inventory numbered decal unless prevented by unusual circumstances.
 - c. Methods of tagging or marking property
 1. Aluminum Tags - for use on property exposed to weather or located out of doors. These tags are issued by the Texas A&M AgriLife Property Office, however this office does not have an engraver, so if engraving is required you would need make arrangements for it to be done.

2. Permanent Decals – (pre-numbered and blank) – for use on property maintained indoors. These decals are issued by the Texas A&M AgriLife Property Office. Pre-numbered decals are furnished in lots and in numerical order.
 3. Other – Where attachment of tags or decals is not practical, inventory numbers may be placed on property by means of paint, etching, or other permanent marking method.
- d. Placement of inventory numbers
1. Indoor Equipment (office and laboratory) - tags, decals or other inventory identification markings should be placed in a consistent, visible location with minimum damage to the item.
 2. Motor Vehicles – tags or decals should be placed inside the door of the glove compartment.
 3. Farm Vehicles – tags or decals should be placed on or near the steering column. Paint, etching, or other permanent method may also be used if practical.
 4. Farm Machinery – tags or other permanent markings should be placed on the machinery in a consistent, visible location with minimum damage to the property.
 5. Other – all other property should be tagged or marked in a consistent, visible location with minimum damage to the item.
9. For items not on inventory, a tag indicating ownership should be attached.
10. Livestock Identification and Records
- a. Units with livestock and poultry shall maintain records and numerical identification systems for individual and, if applicable, group identification of animals. These records will not be included in the final inventory, but if kept, any records must be available for audit at any time.
 - b. The unit records shall be consistent with the numerical identification system used for inventory. In addition to the required information, other details may be shown on the records.

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-314.pdf>

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-315.pdf>

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-316.pdf>

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-317.pdf>

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-318.pdf>

3.02 Disposition of Property

Disposition of property shall be conducted by

A. Sale

1. Computer & related computer equipment cannot be advertised for sale
2. Other equipment

3. Livestock
- B. Deleted – junked as worn-out/broken/cannibalized
 1. Computers and computer related equipment
 2. Other equipment
- C. Missing or Stolen
- D. Transfer
 1. Computer and related equipment
 2. Other equipment
- E. Trade-in
 1. Only on like items
 2. Cannot use for services or supplies
 3. Items traded in must be on the agency your new item will be on
- F. Returned Property
 1. To Owner
 2. To Manufacturer
- G. Exchanges

Explanation of the above procedures:

- A. Sale of Equipment
 1. Authorization to Sell
 - a. Units are authorized to sell, without advanced approval, all surplus farm and laboratory products. All livestock sales regardless of the value should be submitted to the Director for approval on form AG-303.

<http://agriflifeas.tamu.edu/library/pdf/forms/ag-303.pdf>
 - b. House Bill 1105 passed in the 76th Session of the Texas Legislature, grants the Texas Department of Criminal Justice the authority to receive, repair or refurbish and resell surplus or salvage data processing equipment. Advance approval is required for the sale of all other property with the exception of computer & other related items regardless of the value or classification. Request for authority to sell such property should be submitted to the Director as follows:

1. All inventory and non-inventory property for sale must be approved in advance by the Director on form AG-303.

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-303.pdf>
2. Requests for sale must include date of sale, method of sale (auction bid, private treaty, etc.) And reason for sale.
3. Computer and other computer related equipment cannot be put up for sale. They can be transferred to TAMU surplus property, another state agency, political subdivision, school district or approved assistance organization.
4. Any item that is sold to another state agency, school district or political subdivision will be treated as a transfer, not a sale.

c. Demolition of Buildings

1. Demolition of buildings with a demolition value less than \$25,000.00 requires advance approval by the Director and form AG-324.

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-324.pdf>
2. Demolition of buildings with a demolition value of \$25,000.00 or greater requires advance approval by the Chancellor. A letter requesting permission to demolish and form AG-306 should be submitted to the Director's Office for review and forwarding to the Chancellor prior to demolition.

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-302.pdf>

2. Sales Procedures

- a. All sales of personal property will be by competitive bid, either by sealed bid or auction, unless written exception is received in advance from the Texas A&M AgriLife Fiscal/Property Office. No employee can buy state property outright. Employees involved in the sealed bid sale, and persons acting on their behalf, are prohibited from participating in the bid process and sale. All sales, with the exception of public auction must be advertised at least one time in at least one newspaper.
- b. When advertising for bids, be sure and include that any and all bids can be rejected. A time frame can be set for pick up. The bidder will need to be informed of types of payment and whether there will be a deposit requested and how much if the item is not picked up the day of the sale.
- c. All sales must be paid upon delivery. At the time of sale, the unit conducting the sale must issue an official receipt to each purchaser for each sale. A remittance form and duplicate receipt should be transmitted to the Texas A&M AgriLife Cash Management Office. A third copy of the receipt should be retained by the issuing unit in numerical order, in the book it came out of for permanent record. Receipt books will be furnished by the Texas A&M AgriLife Cash Management Office. Receipts should be issued in numerical order.
- d. If, for any reason, a receipt is not used, it should be marked "void" on the original and duplicates and noted on the deposit form made to the Texas A&M AgriLife Cash Management Office.

- e. All checks for payment must be made payable to either the Texas AgriLife Research or Texas AgriLife Extension Service.
3. Deposits of Sales Income
 - a. On campus units will deposit receipts from sales (cash and checks, etc.) with the Texas A&M AgriLife Cash Management Office, by mail, Laserfiche or hand delivery.
 4. Remitting Sales Income to Texas A&M AgriLife Cash Management Office
 - a. Go to <http://agrilifeas.tamu.edu/fiscal/cash-mgmt/> for up to date procedures
 - b. Whenever practicable, the Unit should pay for services rendered by requisition and vouchers and should be used for commodities sold. However, where it is customary for Livestock Commission Companies to deduct commission and other charges or where gins credit cottonseed to ginning, hauling, storage or other charges, a complete itemized statement of the transaction should be furnished with the remittance to the Texas A&M AgriLife Cash Management Office.
 - c. All approved requests for the sale of property on form AG-303 will be assigned a Letter of Authorization (L.A. Number) or a reference number. When transmitting proceeds from sales where advance authority is required, the remittance form should include the L.A. Number.

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-303.pdf>
 - d. When money is deposited for sale of equipment that is on inventory, form AG-304 should be submitted with the remittance. A copy of form AG-304 must be sent to the Texas A&M AgriLife Property Office.

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-304.pdf>
 5. Sales to Employees
 - a. Charge sales are prohibited. In a letter to the State Auditor dated May 31, 1951, Attorney General of Texas stated that State institutions of higher education do not have authority to extend credit to faculty, students, employees or others in sales of goods or services.
 - b. Livestock may not be sold to any state employees unless the price received is equal to or more than the fair market value. This information must be included on the remittance form.
 - c. Other farm products including poultry may be sold to state employees at the fair market price.
 - d. Property can be sold to state employees if the equipment is sold through an auction or sealed bids are taken and they are not a part of the auction or bid process.
- B. Deletion of Property as Junk
1. On campus units should request removal only for those items that are unworthy of use. Any excess items can be transferred to the Texas A&M University Surplus Property Office, or put up for auction. (Procedures for transfers follow in another section).

2. Off campus units can request for deletion all property not worthy of further use, it is being sold, it is being transferred to the Texas A&M Surplus Property Office, public school, political subdivision or approved assistance organization.
3. No property should be removed from the premises until the deletion has been approved by the Director's Office or transfer has been signed by the releasing department.
4. Any equipment that has been cannibalized (dismantled) where parts are being reused in other assets, and will not be rebuilt to a workable asset, needs to be deleted.
5. Requests for deletion as junk should be submitted on form AG-302. Submit one copy to the Texas A&M AgriLife Property Office.

<http://agrillifeas.tamu.edu/library/pdf/forms/ag-302.pdf>

6. Deletion of computers and computer equipment must be done if they have been cannibalized or before they are sent to the Texas Department of Criminal Justice.
7. Please keep in mind that if a department cannibalizes equipment that is not fully depreciated, a loss will be posted on the Texas A&M AgriLife Research or Extension books.

C. Deletion of items as Missing or Stolen

The State Property Accounting Policy and Procedures Manual reads:

Each Agency should ensure that an employee entrusted with property exercises, at a minimum, reasonable care for its safekeeping. **The term reasonable care means that steps have been taken to maintain the upkeep of any asset in an acceptable manner, to ensure the security of any asset, to ensure that any asset can be located at any time requested and to ensure that the person responsible for the asset is known.**

NEGLIGENCE

The omission to do something which a reasonable man, guided by those ordinary considerations which ordinarily regular human affairs, would do, or the doing of something which a reasonable and prudent man would not do. The law of "negligence" is founded on reasonable conduct or reasonable care under all circumstances of a particular case. "Negligence" in official conduct is ordinarily the failure to use such reasonable care and as would be expected of a prudent man.

Tex. Gov't Code Ann.sec. 403.276 (Vernon's) reads:

If a head of an agency has reasonable cause to believe that any state property in the agency's possession has been lost, destroyed, or damaged through the negligence of fault of any state employee, the agency head responsible shall immediately report the loss, destruction, or damage to the state auditor and to the attorney general.

1. The attorney general may investigate a report of loss, destruction, or damage to state property.
2. If the investigation discloses that a property loss has been sustained by the state through the fault of a state official or employee, the attorney general shall make written demands on the state official or employee for the reimbursement to the state for the loss sustained.

3. If the demand made by the attorney general for reimbursement for property loss, destruction, or damage is refused or disregarded by the state official or employee on whom such demand is made, the attorney general may take legal action to recover the value of the state property as the attorney general deems necessary.
4. Venue for all suits instituted under this section against a state official or employee is in a court of appropriate jurisdiction of Travis County.

Comptroller will withhold state funds to any state agency if the value of missing property falls outside of the defined standard for missing property.

1. An Inventory Deletion Request form AG-302 form must be accompanied by the Missing and Stolen Property Report form AG- 308. Submit one copy for each item that is missing or stolen.

<http://agrillifeas.tamu.edu/library/pdf/forms/ag-302.pdf>
<http://agrillifeas.tamu.edu/library/pdf/forms/ag-308.pdf>

2. The Missing and Stolen Property Report form AG-308 must be completed in full including procedures to prevent recurrence of loss.

<http://agrillifeas.tamu.edu/library/pdf/forms/ag-308.pdf>

- a. If missing, include a copy of the note sent to all faculty and staff inquiring that if anyone has seen any of the missing items they are to let you know.
- b. If stolen, include a police report.

3. The Missing and Stolen Property Report form AG-308 should be signed by the Department Head or their representative.

<http://agrillifeas.tamu.edu/library/pdf/forms/ag-308.pdf>

4. If stolen or missing property is recovered, then let the property office know as soon as possible.
5. All missing inventory must stay on your list for 2 years or 2 annual inventories. Your inventory printout will show MH in the condition space for the two years it is missing and your building code will be 00003.

D. Transfers

1. Inventory items may be transferred to or from
 - a. Another department within each agency of Texas A&M AgriLife Research or Texas A&M AgriLife Extension Service.
 1. Releasing department fills out the on-line transfer in Canopy. The releasing department puts their department code in as the source department and then the department code to whom the item being transferred to known as the destination department. Complete and route for approval. When the destination department receives notice in their in-box, they go in and update building, room and group code information. They then route for approval which is now to be approved by the Texas AgriLife Property Office.
 2. Asset number(s), date, class code and amount will stay the same for both departments.

3. Any time computers are transferred out of your unit, an AG-312 Inventory Software Certification form must be filled out. In December 1992, Texas A&M University Audit determined a need to document the wiping of hard drives any time a computer is transferred or moved because of license agreements and private information that might be stored on the hard drive. The wipes should be done not only for transfers leaving your agency, but also between departments.
- b. A department in another part of The Texas A&M University System
1. Releasing department fills out the on-line transfer in Canopy. The releasing department puts their department code in as the source department and then the department code to whom the item being transferred to known as the destination department. Complete and route for approval. The document will then be routed to the releasing agency's property office. When approved, they will route for approval to the destination department for updating of asset number their agency uses, building, room and group code information. They then route for approval to their agency property office, which after approved is returned to the releasing agency's property office to get the Director approval, assign a L.A or reference number for deleting off the releasing department's inventory and routed for acceptance by the destination's property office to be put on the destination department's inventory.
 2. Idle or outdated computers, whether cannibalized or still in whole working condition, must be transferred to the Texas A&M Surplus Property Office, county governments, school districts, volunteer groups or assistance organization, or directly to the Texas Department of Criminal Justice.
 3. Any time computers are transferred out of your unit, an AG-312 Inventory Software Certification form must be filled out. In December 1992, Texas A&M University Audit determined a need to document the wiping of hard drives any time a computer is transferred or moved because of license agreements and private information that might be stored on the hard drive. The wipes should be done not only for transfers leaving your agency, but also between departments.
- c. An agency outside the System, political subdivision, school district, or approved assistance organization.
1. Must fill out the AG-301 form, AG-312 form and get the signature of the receiving agent.
 2. Forward to the Texas A&M AgriLife Property Office.
 3. Any time computers are transferred out of your unit, an AG-312 Inventory Software Certification form must be filled out. In December 1992, Texas A&M University Audit determined a need to document the wiping of hard drives any time a computer is transferred or moved because of license agreements and private information that might be stored on the hard drive. The wipe should be done not only for transfers leaving your agency, but also between departments.
- d. If equipment is going to another university out of state or private company, then please call the property office for guidance on what needs to be done. Special permission and requirements are needed.

1. Any time computers are transferred out of your unit, an AG-312 Inventory Software Certification form must be filled out. In December 1992, Texas A&M University Audit determined a need to document the wiping of hard drives any time a computer is transferred or moved because of license agreements and private information that might be stored on the hard drive. The wipe should be done not only for transfers leaving your agency, but also between departments.

e. Transfers into your agency and department

You will receive a transfer form from either another department in your agency or one from another agency. You are to fill in the receiving agency asset number with either a new number, if this is an item you never have had before, or if we are adding money to an item you already have, then you put in that asset number we are adding to. Sometimes, if you receive an item from the Texas A&M Surplus Property Office, it may have your agency's number assigned to it and we will keep that one. If this item is coming from your agency, then the asset number will be the same.

1. Fill in the new location information, with building, room and group code or person responsible for that piece of equipment.
2. If the AG-301 transfer form is used, sign the left side, receiving it and forward to the Texas A&M AgriLife Property Office.
3. If the transfer comes to you on-line through Canopy, you would put in the new location information, person responsible and route for approval.
4. If you received an item from Surplus, they may have you sign the TAMU FDP 411A transfer form and return it to them. They will forward it to their TAMU Property Office and in turn they will send it to the Texas A&M AgriLife Property Office. If any of the above information is not filled out, or the wrong person signed, this will be sent to you to complete, then you would send it back to the Texas A&M AgriLife Property Office and it will be processed there.
5. If you received an item from Surplus, you could get the notice in your in box that there is a transfer that needs to be approved in Canopy. Complete the necessary information, which could be a new number if this is from another agency, or if the item came from your agency, leave it alone. Fill out new location and responsible person. Route for approval.

f. Computer & other computer related equipment

1. Whether cannibalized or still in whole working condition, must be transferred to the Texas A&M Surplus Property Office, county governments, schools districts, volunteer groups or assistance organizations, or directly to the Texas Department of Criminal Justice.
2. Any time computers are transferred out of your unit, an AG-312 Inventory Software Certification form must be filled out. In December 1992, Texas A&M University Audit determined a need to document the wiping of hard drives any time a computer is transferred or moved because of license agreements and private information that might be stored on the hard drive. The wipe should be done not only for transfers leaving your agency, but also between departments.

E. Trade-in

1. Trade-ins are taken off inventory when the new item is paid for. Trade-ins should be noted in the P/L/E purchasing documents. Need to list the trade-ins asset number and how much you will be getting for it.
2. The item you trade-in has to be on your inventory within your agency. If it is not, then a transfer must be completed in order to have this item put on your inventory for your agency.
3. If an item has been deleted in the year(s) previous to the current fiscal year, then an Inventory Deletion Request form AG-302 needs to be submitted with a copy of the purchase order or invoice showing the trade-in transaction.

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-302.pdf>

4. Trade-ins can only be used for same type item. No trade-in can be used for the purchase of services or supplies.

F. Returned Items

Submit an Inventory Deletion Request form AG-302 and copy of “credit memo” or invoice or any correspondence showing the item returned.

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-302.pdf>

G. Exchanges

If you are given another like item and there is no or minimum cost, then do not delete original item, but give the new item the exchanged items asset number, add extra cost if any on L/P/E purchase order and let the Texas A&M AgriLife Property Office know the new serial number and any other pertinent information.

3.03 Changes to Inventory

If it is necessary to change an item on inventory, it should be made on form AG-307. It should show the item first as originally described on the inventory printout, followed by the correct listing. An explanation should be included. Examples follow in another section. If you are making location changes, these can be made on line if you have FAMIS access. Description, model and serial number changes can be made by correcting on your inventory printout and sending the Texas A&M AgriLife Property Office a copy for items to be updated.

3.04 Gifts of Property and Items Produced or Constructed by Departments

Gifts and items constructed eligible for inventory should be added to the inventory using Gifts and Reclassifications form AG-307 with appropriate documentation.

- A. Non-Cash Gifts will need to use a form AG-103. This form will be sent to Texas AgriLife Contract & Grants for approval and they will forward the signed agreement to the Texas AgriLife Property Office, where we will request an AG-307 form, from you, unless you have already sent one in. DO NOT send the AG-307 form to the Texas A&M AgriLife Contract & Grants department.

<http://agrififeas.tamu.edu/library/pdf/forms/ag-103.pdf>
<http://agrififeas.tamu.edu/library/pdf/forms/ag-307.pdf>

- B. At the bottom of the AG-103 form it states that this paper submitted with signatures only serves as an acknowledgment of receipt of the gift and does not represent concurrence with any stated value of the gift for income tax purposes.

3.05 Equipment Owned by Others – Held-in-Trust

When equipment is paid for with a purchase voucher, but owned by a non-state entity, being private or USDA, and is being used by Texas A&M AgriLife Research and Extension. It will be put on inventory as Held in Trust and assigned an inventory number for tracking purposes. Ownership should be noted on the second page of screen 362 in preliminary fixed assets under the heading Ownership.

4.00 Physical Inventory Procedures

- A. Physical inventory will be taken at least once each fiscal year by each unit.
- B. As soon after May 1, the inventory listings for each department will be available through Document Direct (MOBIUS.TAMU.EDU) and in the future may be available through Laserfiche. These inventory listings should be forwarded to the Assistant Accountable Property Officer who will oversee the physical inventory.
 - 1. Any correction that needs to be made to update the inventory should be done before July 31 of that year, using the correct forms.
 - 2. The certification forms that come with the listings or an AG-319 Preliminary Certification of Physical Inventory of Property, must be signed by the two individuals who took the inventory, even it not always the same two. The certifications and the listing the physical inventory was taken from, returned to the AgriLife Property office through the INVENTORY WIP folder in Laserfiche. This will be put into the units folder under 5.02.09.01.2, your agency and year.

<http://agrififeas.tamu.edu/library/pdf/forms/ag-319.pdf>

- 3. As soon as possible after August 31 closing the unit will receive a final inventory for the current fiscal year, available through Document Direct (MOBIUS.TAMU.EDU).

The final inventory should be verified and a signed, by the Alternate Accountable Property Officer and the Accountable Property Officer on the Annual Certification on Physical Inventory of Property AG-320. This certification along with the 8-31 numerical listing of inventory needs to be returned to the Texas AgriLife Property Office by laserfiche, e-mail or mailed.

<http://agrififeas.tamu.edu/library/pdf/forms/ag-320.pdf>

- C. For physical inventory requirements, refer to Chapter 7, SPA Policy & Procedure Manual.

5.00 Inventory of Supplies & Material (Consumable) and Supplemental Supplies

The following schedules and summaries are to be prepared annually by or under the direction of the unit head responsible for each of the following accounts:

ANSC BCBP FSDS

If the unit total is less than 10,000.00, no report is needed.

A. Schedule of consumable supplies. List under each headings the quantity, description and value of the supplies on hand as of August 31 of that year.

1. 100 – Stationary and Office Supplies
2. 110 – Gasoline, Oil, Lubricants
3. 140 – Feeding Supplies, Seeds, Small Plants
4. 151 – Medical Supplies
5. 152 – Laboratory Supplies
6. 160 – General Supplies
7. 200 – Postage
8. 970 – Seeds and/or Materials (purchased for resale)
9. 972 – Farm Products for Sale (Money Crops)

B. Summary of Schedules as listed above form AG-309.

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-309.pdf>

C. Summary of Farm Product for Fiscal Year form AG-310.

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-310.pdf>

1. This form applies to inventory schedules 140, 970 and 972 and provides a continuous record of feeding supplies and farm products (except milk and farm products furnished as perquisites, and all perishable fruit and vegetable crops that must, of necessity, be marketed promptly after harvesting).
2. Form follows in another section, with several examples, devised to record changes as they occur. A copy of this form should be used as a worksheet for additions and deductions during the year. These records must be kept current and available for audit at any time. The worksheet should be summarized as of August 31 of each year. A copy of this needs to be forwarded to the Texas AgriLife Fiscal Office in care of the Financial Reporting Manager.
3. Only harvested products should be listed on the inventory schedules. Do not include estimated yields of unharvested cotton, grain or any other crop.

- D. The Summary of Farm Products form AG-310 should be forwarded to the Texas A&M AgriLife Fiscal Office in care of the Financial Reporting Manager, as soon after August 31 as possible, but no later than the first week of September. Retain a copy of each for your files.

6.00 Repair/Property Used Away from Assigned Location

- A. The loan of inventory equipment to another unit, agency or individual must be recorded on an AG-311 form. This form is to be kept by the AAPO of that department.

<http://agrifliforms.tamu.edu/ag-311.doc>

- B. The use of inventory equipment out-of-town, in a car or at home, must be acknowledged on an AG-311 form. This form is to be kept by the AAPO of that department and updated each year it is in the users possession.

<http://agrifliforms.tamu.edu/ag-311.doc>

- C. Repair form AG-313 should be filled out each time a piece of equipment leaves the department for more than 1 day.

<http://agrifliforms.tamu.edu/library/pdf/forms/ag-313.pdf>

- D. Repair form AG-313 should be filled out each time a piece of equipment leaves the department for more than 1 day.

<http://agrifliforms.tamu.edu/library/pdf/forms/ag-313.pdf>

- E. Equipment Sign-Out Log AG-323 should be filled out each time a piece of equipment leaves a room and returns, even if less than a day.

- F. State owned equipment is to be used for state business only.

7.00 Security of Areas, Buildings, & Equipment

For procedures and responsibilities refer to Chapter 4, The Texas A&M University System Asset Management Manual.

<http://www.tamus.edu/assets/files/budgets-acct/pdf/AMM2004.pdf>

8.00 Storage of Equipment

For procedures and responsibilities refer to Chapter 4, The Texas A&M University System Asset Management Manual.

<http://www.tamus.edu/assets/files/budgets-acct/pdf/AMM2004.pdf>

All items located in a building must have a room number assigned to it. Room numbers must be the exact way they are listed on the Facilities Coordinating space inventory. You can see these by going to

<http://fcor.tamu.edu> or on screen 543 in FAMIS FFX. Must know the 5 digit building number and the campus code (cc=02 TAMU, cc=06 Texas AgriLife Research and cc=07 Texas AgriLife Extension) this building belongs to. In order for our agencies to get the indirect cost we are owed, we **must** have these room numbers on the asset. Outside building numbers are 00001 – not located in a TAMU System building or on their property. 00004 – located outside a TAMU building or used at home.

9.00 Livestock Procedures

A. Evaluation of Livestock

To simplify accounting procedures and reduce the number of accounting entries arising from livestock transactions, rules have been developed relative to the capitalization of livestock.

1. Livestock to be Inventoried (carried in equipment inventories)
 - a. Animals, including poultry, that are or will become breeding stock, no matter how ownership was acquired.
 - b. All purchased animals, including poultry, with the exception of poultry that will be used in a feeding program of less than three months duration.
 - c. Animals that represent an intrinsic value to the unit, and are kept for a period of more than a day, regardless of the nature or purpose of the animal.
 - d. Animals that do not fit into one of the above categories will be included on the inventory of consumable supplies, under schedule 3.07 at the close of each fiscal year.

2. Value of Individual Animals

The inventory value for capitalized animals is left to the discretion of the unit head within the limits set forth below:

- a. Purchased Animals - The unit is responsible for assignment of an object class 5767 -- Livestock -- to vouchers for the purchase of livestock to be carried on inventory. Disbursements will correct object code to 5799. A preliminary fixed asset for purchase of livestock is not required. Livestock purchases that do not affect inventory should also be coded 5767.
- b. Gifts - These animals, if they are to be inventoried are to be reported on the Quarterly Livestock Report AG-305 form as a gift with the donated price, then if a value has to be changed to make it market value do this under adjustments.

<http://agriflifeas.tamu.edu/library/pdf/forms/ag-305.pdf>
- c. Produced by Department - These animals are to be reported at cost of production or net market value and adjusted not more than two times between birth and maturity. The original value and any subsequent adjustments of value should be reported on the Quarterly Livestock Report form under Other Additions.
- d. The schedule below may be used or the unit head may exercise discretion on an individual basis. The unit record must at all times show the present carrying value of each animal (or

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flock in the case of poultry) and amounts shown on the Livestock Inventory Report must be supported by the unit records.

Category	Standard Value	Point of Reclassification
<u>Beef Cattle</u>		
Calves	\$550	Weaning
Heifers	\$700	2 yr. old Exposed/breeding
Cows	\$800	n/a
Bulls	Purchase Cost	n/a
<u>Dairy Cattle</u>		
Bull Calves	\$150	Sold
Calves	\$400	Weaning
Repl. Heifers	\$110	Exposed/breeding
Cows	\$1400	n/a
Repro. Herd	\$800	n/a
<u>Horses</u>		
Foals	\$700	Weaning
Yearlings	\$1000	2 yr. old
2 Yr. Fillies	\$2000	Exposed/breeding
Replacement Mares	\$2500	Exposed/breeding
Research Horses	\$500	n/a
Riding Horses	\$2500	n/a
Breed-Broodmares	\$2500	n/a
Breed-Stallions	\$5000	n/a
<u>Swine</u>		
Market (growing pigs)	\$50	
Sows	\$150	n/a
Boars	Purchase Cost	n/a
<u>Sheep</u>		
Ewe Lambs	\$75	Weaning
Aged Ewes	\$100	n/a
Yearling Ewes	\$125	Breeding
Rams	Purchase Cost	n/a
Raised Resale	\$75	n/a
Purchased Resale	Purchase Cost	n/a
<u>Goats</u>		
Angora Kids	\$25	
Angora Yearling (females)	\$40	
Angora Adults	\$100	
<u>Poultry</u>		
Chickens	\$1	
Quail		
Turkeys		
Pheasants		

Feeder livestock is valued at net market value.

B. Property Control of Livestock

1. Supporting Documents for Accounting Entries Arising from Livestock Transactions

- a. Additions from Expenditures - The purchase voucher for the expenditure will serve to support additions from expenditures. The unit will be responsible for the Expenditure Classification shown on these documents and must keep records of total additions from expenditures to prepare the reporting form as mentioned below.
- b. Other Changes - The Quarterly Livestock Report form for reporting of changes occurring since the prior report was prepared, will serve as the supporting document for all entries arising from livestock transactions except the additions from expenditures mentioned above. The unit's records should provide the data for this report and verify the amounts reported. The additions from expenditures as shown on the report will be reconciled with the purchase vouchers for the quarter. At the close of the fiscal year it may be necessary to work with personnel of the reporting unit to obtain an accurate figure for current year's expenditures, as some vouchers and remittances may be in transit.

2. Reporting of Livestock on the Unit Equipment Inventories

- a. Quantity and Value - The unit should record changes in the inventory quantities and values of individual animals. The report of physical inventory should show the total quantity of the inventory at that date. A report should be submitted for each class of livestock owned.
- b. Inventory Numbers and Class Codes - the following inventory numbers and class codes are to be used to record livestock on the Quarterly Livestock Report.

<u>Inventory Number</u>	<u>Class Code</u>	<u>Description</u>
900	501	Dairy Cattle
901	502	Beef Cattle
902	508	Swine
903	503	Mules
904	504	Horses
905	506	Sheep
906	507	Goats
907	505	Poultry
908	509	Bison
909	510	Deer
910	511	Dogs
911	500	Burros/Donkeys

C. Preparation and Processing of the Livestock Inventory Report

- 1. Frequency of reporting - The Quarterly Livestock Report form AG- 305 is to be made quarterly beginning in December for the period September 1 through November 30, and each quarter thereafter. However, interim reports are required (along with a Livestock Inventory Report) at the date of physical inventory (if this date did not coincide with the end of a quarter). In addition, these reports should be received by the Texas A&M AgriLife Property Office no later than 8:00 a.m. on the 4th working day of the month following the end of the reporting period.

<http://agrilifeas.tamu.edu/library/pdf/forms/ag-305.pdf>

2. Format of the Report and Supporting (unit) Records

- a. An individual report is required for each class of livestock.
- b. The Texas A&M AgriLife Property Office is concerned with quantity at the date of physical inventory. The reporting form will provide data for an analysis necessary for the purchases of livestock. Please note that space is provided to explain changes in value arising from unusual additions or deductions.
- c. Each report is to be prepared and sent via e-mail, lasefiche or mail.

A temporary department file copy is to be retained in unit file until an approved Unit File Copy is filed in the units Laserfiche File **5.02.09.06**.

- d. Data contained in the report are to be recorded in the accounting records as of the last day of the period covered by the report.
- e. The Texas A&M AgriLife Property Office inventory file is to be updated from reports received as of the date of physical inventory.
- f. As mentioned before, prior to closing the books at the close of the fiscal year additions from Expenditures must be balanced with the purchase vouchers paid that year. The units must be advised of any alterations made on the final report (due to vouchers in transit or changes in classification) so that these items can be reflected properly on the unit records. If there is a purchase made at the end of the fiscal year, the voucher needs to be processed within that fiscal year if at all possible. If not, please make note on livestock report of number of head on hand but not paid for.

10.00 Lease/Purchase

- A. If a piece of equipment is leased with the option to purchase, it will be given an inventory number and put on inventory at the time of the first payment.
- B. Each payment thereafter will be coded 835 on the vouchers but will not need preliminary fixed asset information.
- C. Interest is not included in the purchase price for inventory purposed, and needs to be coded 6120 on the voucher.
- D. If at the time the option is up and you elect not to purchase, please submit a deletion request so the item can be removed from inventory.

10.01 Time Payments-Monthly Payments

See above 10.00

11.00 Vehicles

- A. Titles

1. Departments of the Texas A&M AgriLife Research is responsible for the care of their vehicle titles. The Texas A&M AgriLife Property Office maintains a copy in their office.
2. Texas A&M AgriLife Extension Service titles are cared for in their Fleet Office.

B. Insurance

1. The Texas A&M System office of Risk Management will now be handling all insurance claim for the University System. There is a letter that is sent to all A&M Agencies that states that A&M System is the insurance carrier for all agencies. This is what needs to go into the glove box of all system owned vehicles. There may or may not be a new letter each year.
2. Vehicles and motorized driven equipment carry only liability insurance through the fleet policy. If you need more coverage, let either the Texas A&M AgriLife Property Office or Mike McCasland for Research or the Fleet Office or Donna Alexander for Extension know that you need more.
3. If there is an accident involving a state vehicle, fill out the vehicle accident report as soon as possible. Texas A&M AgriLife Extension Service will need to complete and submit ALL required written reports directly to Ms Donna Alexander, the Extension Assistant Director for Fiscal Services (assistant, Gina Konderla – 979.845.7879) **within 24 hours** of the accident. The reports will be reviewed and forwarded to the System Office of Risk Management. Texas A&M AgriLife Research will need to complete and submit ALL required written reports directly to Mr. Mike McCasland, the AgriLife Research Assistant Director for Fiscal Services (assistant, Gina Konderla – 979.845.7879) **within 24 hours** of the accident. The reports will be reviewed and forwarded to the System Office of Risk Management.

<http://agrififeas.tamu.edu/fiscal/fleet/index-fleet.php>

12.00 FAMIS

- A. Property is entered and viewed through the FFX or FAMIS Fixed Asset part of the FAMIS system.
- B. All data pertaining to inventory is approved by the Texas A&M AgriLife Property Office and entered into FAMIS.

Departments have the ability to update location, use, purpose and condition fields; and to view screens that give history, listing of all inventory for your department by asset, by serial number, by class code, group code, etc. and if a number is not on your list, who it belongs to. A listing of, description of and screen pages are in a manual provided by the Texas A&M AgriLife Property Office website.

<http://agrififeas.tamu.edu/fiscal/inventory>

- C. Request to get on the FFX system is made by filling out the FAMIS access form AG-701.

<http://agrififeas.tamu.edu/library/pdf/forms/ag-701.pdf>

- D. Help can be through the Texas A&M AgriLife Property Office at (979) 845-4791 and (979) 845-6743, or the Training Help Desk at (979) 862-2245.

13.00 Laserfiche

- A. See appendix or home page section for list of folders the units can view for inventory.
-

14.00 Preliminary Fixed Assets

Preliminary Fixed Assets Manual

<http://agrilifeas.tamu.edu/library/pdf/inventory/preliminary-fixed-assets.pdf>