

HEALTH SCIENCE CENTER HANDBOOK OF OPERATING PROCEDURES

Chapter 6	Fiscal Policies and Procedures	Effective:	May 2000
Section 6.3	Property Control	Revised:	September 2008
Policy 6.3.3	Deletion of State Property	Responsibility:	Assistant Vice President for Business Affairs

DELETION OF STATE PROPERTY

Deleted Items

Items are deleted from a department's official inventory for one of the following reasons:

Obsolete, Unserviceable or Worn Out Items

To remove items in this category from the inventory, the department Chair, Director or Administrator should submit a [Property Deletion Request](#) to the Property Control Office. Upon approval by the Property Manager, Warehouse personnel will pick up the items and hold them in the Warehouse. These items will be transferred from the department's inventory to the surplus furniture and equipment pool's inventory until the equipment is transferred to another department or otherwise disposed of as follows:

- Data processing equipment (computers and computer peripherals) that is not transferred to another department be transferred to the Texas Department of Criminal Justice.
- Equipment not disposed of in accordance with the above will be sold at auction.

Prior to the removal of computers, hard disk drives, or any other equipment containing software or sensitive data such as patient health information (PHI) or social security numbers (SSN) an [Electronic Storage Device Disposal Request](#) must be completed. Attach this form to the [Property Deletion Request](#) when submitting to the Property Control Office. Failure to remove software and sensitive data from a hard disk drive prior to turning into surplus is a violation of federal copyright laws and software license agreements, federal and state legislation or The University of Texas System directives.

An approved copy of the [Property Deletion Request](#) will be returned to the department Chair or administration head, thereby releasing him/her from further responsibility. The Property Manager, or his/her designee, will personally verify the final disposition of property in this category and will certify this in writing. This certification will become part of the official deletion records in the Property Control Office.

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In the event revenue is realized through the final disposition of obsolete, unserviceable, or worn out equipment, it will be turned over to the Bursar's Office for deposit to the "Institutional Miscellaneous Income Account".

**Deletion of
Obsolete
Software and/or
Sensitive Data**

The following steps should be taken to delete obsolete software and/or sensitive data:

Step 1 The department should complete a [Property Deletion Request](#) along with a [Software Deletion Request](#).

Step 2 Delete the software and sensitive data from the hard drive of the machine upon which it is stored.

Step 3 Destroy the software and sensitive data diskette.

Step 4 Destroy the accompanying documentation.

Step 5 Forward the deletion request and the [Software Deletion Request](#) to the Property Control Office so the item can be deleted from the department's inventory.

Unless there are restrictions imposed by the donor, these apply also to grant accounts.

**Surplus
Equipment**

Departments wishing to dispose of surplus items may transfer them to General Services. These items are transferred at no cost and are added to the institutional equipment pool. Periodically, General Services Warehousing will coordinate an auction of surplus items. All items that have not been transferred to another department, and remain in the surplus furniture and equipment pool at the time of auction, will be sold at auction, and then deleted from equipment inventory records by the Property Manager. Any income derived from the final disposition of surplus equipment will be turned over to the Bursar's Office for deposit to the "Institutional Miscellaneous Income Account".

Prior to disposal of computers, deletion of sensitive data should take place.

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Parts Removal Policy

Surplus computers transferred to the Warehouse should be segregated into two groups: (1) those that appear to be workable computers and (2) those that are unworkable, stripped or cannibalized computers. Only the unworkable computers are available for parts. Workable computers are not eligible for parts. Anyone cannibalizing parts from unworkable computers in the Warehouse must certify, in writing, that such parts are to be used for official Health Science Center business only.

Equipment Lost, Stolen, or Unusable Due to Damage or Destruction

All deletion requests in this category must have the written approval of the Executive Vice President for Business Affairs. In each case of an item being lost, stolen, damaged, or destroyed, the department Chair or administrative head must conduct a thorough investigation to determine if the custodian should be held liable. The department Chair will complete the [Custodian's Request To Delete Property Which Cannot Be Located As A Result Of Theft Or Loss Or Which Cannot Be Used Because Of Damage Or Destruction](#). For all lost or stolen equipment that is on the department's inventory regardless of value, the department must notify University Police so that a "Stolen Property Report" may be filed. University Police will forward a copy of the "Stolen Property Report" to the Property Manager and at that time the request for deletion will be processed. In the event of loss by theft, the department Chair or administrative head should notify the University Police by telephone so that an investigation may be started immediately.

If it is determined that the custodian is liable, all the pertinent details concerning the circumstances should be stated and the liability statement on the form should so indicate. If it is recommended that the custodian should not be held liable for the loss, such a statement should also be made.

Missing Equipment

A diligent search shall be conducted for a missing item until it is found or until it is established that the item is lost. When it is determined that the item cannot be found, the department Chair or administrative head reports the loss to the Property Manager on the [Custodian's Request To Delete Property Which Cannot Be Located As A Result Of Theft Or Loss Or Which Cannot Be Used Because Of Damage Or Destruction](#).

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Transferred Equipment

Department Chairs and administrative heads should contact the Property Control Office for information regarding transfers, either with or without cost, to another State agency (inter-agency transfers). Since these transfers occur infrequently, each will be handled on an individual basis. All inter-agency transfers require the approval of the Executive Vice President for Business Affairs. For transfers of equipment to another department within the University, refer to [Section 6.3.2](#) of the *Handbook of Operating Procedures* (HOP), "Acquisitions of State Property". See [Section 6.1.13](#) of the HOP, Types of "Inter-Departmental Transfers, (IDT)", for instructions on transferring funds for equipment transfers.

Prior to transfer of computers, deletion of sensitive data should take place.

Trade-in Equipment

Additionally, if in the opinion of the Purchasing Director and the Property Manager, it is to the advantage of the Health Science Center to retain the equipment being offered as trade-in, the Property Manager will purchase this item via IDT from the department involved. The item will then be placed in the institutional furniture pool for future use. The price paid by the Property Manager will equal the trade-in allowance offered by the vendor who is awarded the bid so that the selling department will suffer no financial loss on the transaction.

Cannibalization of Equipment

Before actual cannibalization of any piece of equipment is started, the department must obtain written approval of the Property Manager. The department Chair or administrative head should submit a [Property Deletion Request](#) to the Property Manager for approval. If approved, a signed copy of the form will be returned to the department Chair or administrative head authorizing the cannibalization process. At this time, inventory personnel will remove the inventory tag from the equipment. After the cannibalization process is completed, all remaining scrap parts should be turned over to General Services for final disposition.

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**Transfer of
Equipment to a
Non-State Agency**

Some grants or contracts may include a condition that equipment which is acquired with grant funds be made available for transfer upon written request by the awarding agency. The primary circumstance under which a necessity for transfer may arise is when the Principal Investigator engaged in the project for which the equipment was acquired transfers to another institution and a grant is made to the new institution to continue the project.

Release of equipment to another institution may be made pursuant to a grant award, which includes an authorization to assume title and establishes accountability for the equipment. The relinquishing institution shall be required to provide the receiving institution and the awarding agency with a listing of the items of equipment, dates of purchase, and acquisition cost. The receiving institution shall formally acknowledge receipt of such equipment and shall furnish copies of the acknowledgment to the awarding agency. The Principal Investigator should secure approval from the awarding agency if the cost of transferring the equipment is to be paid from grant funds.

In order to release the equipment to the recipient institution, the Principal Investigator shall submit a letter to the Executive Vice President for Business Affairs through the department Chair or administrative head requesting approval to transfer the equipment. The letter should include the grant name and number, the name of the receiving institution, and the name and title of the official authorized to acquire legal title to the equipment. A copy of the letter from the granting agency authorizing the transfer of the grant and the equipment to the receiving institution should be attached. Also, a list of the equipment must be submitted, with the request letter, which shows the inventory number, description, year acquired, and acquisition cost.

If approved, the Executive Vice President for Business Affairs will furnish the Property Manager an approved copy of the request letter, a copy of the letter from the granting agency authorizing the move of the equipment, and a copy of the equipment listing. The copies of these documents will be used by the Property Manager for support of the deletion request. The Property Manager will advise the department Chair or administrative head that the release of the equipment has been authorized. At that time, the inventory tags will be removed from the equipment by inventory personnel. Under no circumstances will any

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property be physically removed from the premises of the University until the above requirements have been met.

Please note that despite the transfer of the Principal Investigator to another institution, equipment need not generally be released if:

1. The original grantee retains the project for which the equipment was acquired and, with the approval of the awarding agency, places the project under the direction of a new Principal Investigator.
2. The cost of transporting the equipment as determined by the awarding agency would be excessive relative to its then current value.
3. The new grantee does not require the equipment in order to continue the project.