
Asset Management Manual

The *Asset Management Manual* provides information necessary for managing the assets of LSU Health Sciences Center New Orleans (LSUHSC-NO) from acquisition to disposal. Corrections, changes, or suggestions should be communicated to the Asset Manager at (504) 568-4841. In the event of an inconsistency or conflict, applicable Federal and State law, Louisiana Property Assistance Agency policies and University policies supercede college, department or lower unit bylaws, policies, or guidelines. The University reserves the right to add, amend, or revoke any of the contained rules, policies, regulations, and instructions or incorporate additional ones, with or without notice, as circumstances or the good of the University community may require.

Contact Information

Asset Management Email

noinv@lsuhsc.edu

Individual staff contacts can be found on the LSU Health Sciences Center New Orleans website.

Definitions

Non-Taggable Equipment: Non-taggable movable equipment are tangible items that are non-consumable, have a useful life of more than 1 year, but have an original acquisition cost/value of less than \$1,000.

Taggable Equipment: Taggable movable equipment are tangible items that are non-consumable, have a useful life of more than 1 year, and have an original acquisition cost/value of \$1,000 or greater.

Capital Equipment: Movable equipment that meets all criteria of Taggable Equipment, but have an original acquisition cost/value of \$5,000 or greater.

Total Acquisition Cost: The total acquisition cost of an asset includes the following.

1. The original invoice price actually paid for the item.
2. All freight, handling, and/or storage charges paid that relate to the asset through delivery and installation.
3. All specific in-transit insurance paid for the asset.
4. All sales, use, or other taxes related to the purchase of the asset.
5. All costs associated with installation of the asset including site preparation. If the installation and/or site preparation is done by an outside contractor, the actual invoice amount should be added to the asset.
6. All costs of testing and preparation.
7. All books, manuals, or training guides necessary for the operation of the asset.
8. All operating systems software purchased with the computer.

Exclusions: Any warranty that is priced separately (not included in the purchase price), any consumable supplies purchased for use with the equipment, maintenance contracts, and any licenses or subscriptions purchased with the equipment.

Custodial Equipment: Any and all taggable movable equipment that is authorized for use, or potential use, off-campus.

Custodian: According to Louisiana Administrative Code Title 34, Part VII, Chapter 3, Section 305 (E), any employee to whom state property is entrusted. The custodian shall be liable for the payment of damages whenever wrongful or grossly negligent act or omission causes any loss, theft, disappearance, damage to or destruction of Property of his agency for which he is responsible.

Acquisitions:

Equipment Acquisition

Individual departments may purchase equipment using state, local, sponsored, and agency funds. Regardless of the source of funds, all purchases must be made in accord with applicable federal and state law and university policy. Equipment also may be acquired by gift, donation, or lease/purchase; or it may be furnished by the government.

Equipment Acquisitions via Lease/Purchase: Equipment can be acquired by one of three methods: 1) Issuance of Purchase Order through University Purchasing Department; 2) Auxiliary System purchase; or 3) P-Card purchase. Departments must follow applicable purchasing procedures in acquiring equipment through all of these methods.

Equipment Acquisitions via Gift or Donation: See Donation section below for details and requirements.

Equipment Acquisition via Transfer: Equipment may be acquired by the University in the form of Inter-Agency Transfer and/or Transfer from another University (active grants).

Inter-Agency Transfers, or transfers from other Louisiana State agencies, must be initiated by the transferring agency with LPAA and accepted by the receiving agency through LPAA. Information must be supplied by the initiating agency including: Asset Description, Original Cost, Date of Original Acquisition, and Accumulated Depreciation.

Transfers from Other Universities for equipment purchased on an active grant should be communicated to the Asset Management Department immediately. Information must be supplied by the initiating university including: Grant PI name, Asset Description, Original Cost, Date of Original Acquisition, and Accumulated Depreciation.

Vehicle Acquisition

Departmental purchases of vehicles using state, local, or sponsored funds must be made in accord with applicable federal and state law and university policy.

Purchase: Departments must follow applicable purchasing procedures in acquiring vehicles.

Registration and Title: Title vests with LSU Health Sciences Center New Orleans (LSUHSC-NO) immediately when a vehicle is purchased with state or local funds. Title to vehicles purchased with sponsored funds vary depending on the terms of the contract or grant.

- 1) The University Fleet Manager is responsible for registering the vehicle with the state Department of Motor Vehicles, adding university decals and/or any safety features applicable. A copy of the registration and the original title must be given to Asset Management.
- 2) To comply with federal and state requirements, LSUHSC-NO places a tag on all vehicles meeting the taggable criteria promptly upon receipt.
- 3) When the Fleet Manager receives the title, registration, and license plates the license plate should be applied to the vehicle, the registration and title should be placed in the vehicle with a copy going to Asset Management.

Vehicles that have not been properly identified and tagged may not be covered for insurance by the Office of Risk Management.

Other Property and Plant Acquisition

University acquisitions of Other Property & Plant include Land, Buildings, Building Renovations, Land Improvements, and Infrastructure through either purchase or construction. These assets can be acquired by LSUHSC-NO through the use of University funds, Capital Appropriations, or Inter-Agency Transfer.

University Funded: Acquisitions and/or renovations paid for with University funds are recorded using a Unexpended Plant project (Fund 411) or through the Capital Improvement accounts on the general ledger. All major land purchases should be communicated to Accounting Services and closing documentation should be forwarded to the Assistant Director of Cost Accounting immediately after closing. All other purchases and renovations are evaluated from a perspective of the larger project at year-end and are capitalized (if needed) when the project is complete.

Capital Appropriations: Acquisitions and/or renovations provided through Capital Appropriations are expensed on the books of the Louisiana Office of Facility Planning and Control (FPC) throughout the year. At year-end expense and revenue reports are provided by FPC to the LSUHSC-NO for recordation. Projects are evaluated and capitalized when complete.

Inter-Agency Transfers: Acquisitions via Inter-Agency Transfer require approval from the LSU Board of Supervisors. Information must be supplied by the initiating agency including: Asset Description, Original Cost, Date of Original Acquisition, Square Footage, and Accumulated Depreciation.

Donations

All equipment that is donated to LSU Health Sciences Center New Orleans (LSUHSC-NO) must be recorded, tagged, and placed on the Movable Property Inventory if the value is \$1,000 or greater.

It is the responsibility of the school or department that is receiving the donated asset(s) to have the donor complete all applicable forms and document acceptance and receipt of donated assets. Notification to Asset Management should include the following items:

- 1) A valuation review by the department of the donated asset consisting of documents supporting the valuation.
- 2) A completed State Tax form R-3400 Certification of Donation or Contribution of Property of a Sophisticated and Technological Nature, and the Federal Tax form 8283 Noncash Charitable Contributions.
- 3) Notification from the department by e-mail, letter or memo of the receipt and acceptance of the donation.

Donation Valuation: A valuation review must be furnished to Asset Management for donated asset(s) having an estimated fair market value of \$1,000 or more. The Asset Management Department neither furnishes nor confirms an appraisal to the donor.

Valuation review methods include, but are not limited to, the following:

1. A written appraisal,
2. The net value of the asset as stated by the donor with documentation (for the new asset),
3. Documentation obtained from a qualified outside source such as “blue book” or a knowledgeable dealer, or
4. Identifying what it would cost the university if it were to purchase the gift outright from a vendor or an original bill of sale for new equipment.

The donated asset is recorded at fair market value at the date of the gift in the accounting records. Upon receipt of notification of the donated asset, Asset Management staff will contact the Departmental Property Custodian (DPC) and make an appointment to tag the asset. The Inventory database will then be updated to reflect the donated asset.

Capitalization

Capital assets acquired by the University departments are classified for accounting purposes into several major classes of assets. These include land, land improvements, buildings, construction in progress, infrastructure, equipment, intangibles, library acquisitions, and historical treasures and works of art. Special considerations must be noted for certain acquisitions and their related costs.

Land

All land acquired or donated shall be capitalized, except any land that is purchased for speculative purposes.

1. Acquisition by Purchase – Land purchased by the University is recorded at cost. Cost includes land; legal, title, and broker’s fees; landfill; and clearing, grading, and other costs necessary to prepare the land for its intended use. Land shall not be depreciated, but improvements to the land will be depreciated.
2. Acquisition by Gift or Bequest – Recorded at the fair market value at the date of the gift (appraisal usually has been completed).
3. Acquisition through Eminent Domain – Recorded at the amount of the court award made to the landholder(s).

Land Improvements

This category consists of land improvements outside the building. Improvements to land other than buildings, are required to make land ready for its intended use.

This category includes landscaping, fences, curbs, and similar items.

Buildings

Expenditures for new building or new construction must be \$5,000 or greater to be capitalized.

1. **Buildings** – The cost of buildings (permanent structures housing persons and personal property) is the construction cost of the building shell and its components. Examples of construction costs include, but are not limited to, building materials, architects' fees, building permit fees, subcontract fees, rent for property, other than real property, to complete construction, operating and maintenance costs for property used in the construction, site preparation, compensation for work performed, and cost of supplies consumed in the construction. Capitalization takes place during the completion of the project.
2. **Building Components or Fixed Equipment** – Building components are items permanently attached to the building shell necessary for the building to be used as intended. Building components are either integral to the building or cannot be removed without damaging the building or component. Examples of building components are plumbing systems, electrical wiring, and air-conditioning duct work. Examples of fixed equipment are flooring, lab benches bolted to floor, shelving constructed to affix to building, and awnings.
3. **Building Additions** – New additions to buildings resulting in additional square footage are capitalized regardless of the dollar threshold.
4. **Renovations** – Major building component replacements or renovations of a building that extend the original life of the building and/or increase its value to the university are capitalized with the exception of projects involving expenditures less than \$5,000, which are considered an expense.
5. **Fixed Property** – Property affixed to the building. Examples include fume hoods, autoclaves and sterilizers, dormant scales, etc.
6. **Demolition Costs** – The cost of building demolition in preparation of new construction is added to the cost of the new building as “site preparation costs.” If new construction is not planned, the demolition costs are not capitalization.

Construction in Progress

Construction in Progress is the cost of construction work undertaken but not yet completed. The Construction in Progress asset account is a holding account which accumulates the costs of construction completed to date. Upon completion, capitalized costs are transferred to an asset classification such as buildings, equipment, etc. Construction in Progress amounts should not depreciate.

Infrastructure

Infrastructure is defined as long-lived capital assets associated with governmental activities that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Although these assets are long-lived, useful lives are

assigned to these assets and they are depreciated. The capitalization threshold for infrastructure assets is \$3 Million.

Movable Equipment

Movable equipment shall be considered to be Capital Equipment when it meets all of the criteria described in the following:

1. Under normal conditions of use, including reasonable care and maintenance, it has an anticipated useful life of greater than one year.
2. The total acquisition cost of the item meets the minimum cost criteria of \$5,000 (Total acquisition cost is defined above).
3. The item will retain its original shape and appearance with use.
4. It is non-expendable; that is, if the item (in part or whole) becomes damaged or has worn parts, it is more cost effective to repair the item than to replace it with an entirely new item.
5. It does not lose its identity through incorporation into a different or more complex unit or structure.
6. It is not permanently affixed to a building or structure.

Care must be taken in applying the capitalization criteria to newly acquired assets. In many instances, a single item may consist of several components that function together, but are often purchased separately (or listed on the purchase order as several line items). In these instances, a thorough understanding of the item being purchased is required.

Moveable Equipment Improvements

In addition to the initial purchase of a movable asset, expenditures that represent major improvements to an existing asset should be capitalized if the total cost of the improvement meets capitalization thresholds. This is accomplished through a parent-child relationship in asset management. This is not intended to include repairs and/or maintenance, which are expenditures that serve only to restore an asset to its original operating condition.

Intangible Assets

An intangible asset is an asset with an initial life that extends beyond a single reporting period, lacks physical substance, and is nonfinancial in nature. Intangible assets include easements, water rights, timber rights, patents, trademarks, and computer software which can be purchased or licensed or internally generated. Intangible assets, excluding software should be capitalized if the costs equal or exceed \$100,000.

Software

Computer software that is purchased separately from the hardware should be capitalized if the cost of the software equals or exceeds \$5,000 and has a useful life expectancy of 2 years or greater.

Internally developed software should be capitalized if the costs equal or exceed \$1,000,000 with a useful life expectancy of 3 years or greater. In accordance with Generally Accepted Accounting principles directed by NACUBO Advisory Report 99-7 which makes AICPA Statement of Position 98-1 applicable to public not-for-profit higher education institutions, only internally developed software costs associated with the application development phase should be capitalized. Costs associated with the preliminary project and the post-implementation/operating phases should be expensed as incurred. General and administrative costs and overhead expenditures associated with software development should not be capitalized.

Library Books

Library books are generally a literary composition bound into a separate volume and identifiable as a separate copyrighted unit. Library reference materials are information sources other than books which include journals, periodicals, microforms, audio/visual media, computer-based information, manuscripts, maps, documents, and similar items which provide information essential to the learning process or which enhance the quality of academic, professional or research libraries.

If library books are considered to have a useful life of greater than one year, they are capital assets and may be depreciated. Because most library collections consist of a large number of books with modest values, the changes in value for professional, academic or research libraries may be reported on an aggregated net basis.

Historical Treasures and Works of Art

Works of art as defined by this University are items which are considered inexhaustible and held for public exhibition, educational purposes, or research enhancement of public service instead of financial gain. Generally, collections of historical treasures and works of art will be considered inexhaustible, and therefore not be depreciated.

Depreciation

Generally, capitalized assets will be depreciated with the exception of land and other inexhaustible assets. Depreciation is the allocation of the total acquisition cost of a capital asset over its estimated useful life.

Depreciation Convention: Straight-line depreciation, using the half-year convention with an assumed salvage value of zero, is the recommended method to record depreciation expense. Depreciation is calculated by dividing the net book value of the total asset cost by the estimated remaining useful life. The half-year convention, assumes all property is depreciated six months in the year of acquisition and six months in the year of disposal.

Useful Life: The estimated useful life of a depreciable asset is the period over which services are expected to be rendered by the asset. LSUHSC-NO uses the American Hospital Association

(AHA) depreciation schedule to determine and validate the useful life of assets. Asset components and related estimated useful lives are shown below:

Equipment	AHA schedule
Software	3 year life
Land	Inexhaustible - no useful life used
Land Improvements	20 year life
Building Shell	40 year life
Building Systems	20 year life
Building Interior/Renovations	18 year life
Building Fixed Equipment	AHA schedule
Intangible Assets (excluding software)	Contractual or legal term life No useful life assigned to inexhaustible assets
Infrastructure	40 year life (Preliminary)
Historical Treasures & Works of Art	Inexhaustible - no useful life used No useful life

It is LSUHSC-NO's position that the tables utilized in the American Hospital Association's Estimated Useful Lives of Depreciable Hospital Assets booklet and other useful life estimates better meet the depreciation needs of the system. Guidelines are provided by OSRAP except in instances where the AHA lists a different useful life.

Changes to estimated useful lives, due to a material amount of assets fully depreciated but still in use, should be accounted for as changes in accounting estimates and reported prospectively per Governmental Accounting Standards Board (GASB) 34.

Depreciable Basis: The depreciable basis is what was paid for the item or its cost. Some adjustments to the basis may be made such as improvements to buildings or a casualty loss. If the asset is donated, the basis is usually the fair market value of the item at the time of transfer. An asset involving a trade-in of another asset requires adjusting its basis to account for the value of the asset traded in. If the asset traded in had already been depreciated, the new item's depreciable basis is its cost less the trade-in value obtained.

When depreciation is recorded: An asset becomes qualified to claim depreciation when it is placed into business use or for the production of income, not necessarily when it was originally bought. LSUHSC-NO considers it being placed into use "when it is ready and available for specific use." Assets considered as missing/retired are treated as disposed and do not claim

depreciation unless the asset is located and is reinstated as active. Depreciation of newly constructed buildings will commence in the year of useful occupancy.

Equipment Transfers and Relocation

Equipment Transfers

When transferring equipment to another department within the Health Sciences Center, the Notice of Change form must be originated by the owning department and signed as received by the receiving department.

Equipment Relocation

A department moving equipment from building to building or room to room must submit a completed Notice of Change form that includes the LSUHSC tag number, building and room number of the new location to N.O. Inventory <noinv@lsuhsc.edu>.

Disposal of Equipment

Disposal of Idle/Surplus Equipment

University departments are responsible for coordinating with Asset Management, I/T Administrators, and/or Safety for the disposal of all idle (unused) or surplus equipment.

Idle or surplus equipment should first be made available to other university departments, or if no need exists, submitted for surplus to Asset Management. University property may not be donated or transferred to any organization without prior written approval from LPAA and university administration. Any special requests for relocations or removal of surplus equipment may need to be contracted individually with a moving company by the requesting department or Facility Services.

The process for surplus equipment is as follows:

1. Department will contact IT Administrator to sanitize data on computer equipment.
2. The IT administrator will sanitize computer equipment as required by state law.

3. The Department (for non-computer equipment) or the IT Administrator (for computer equipment) will complete and forward the Notice of Change in Moveable equipment form via email to Asset Management at N.O. Inventory. The tag # (if tagged), the item description, present location and requested transaction code must be included.
4. Asset Management will add the asset to the pick-up list and contact the department when the movers have been scheduled.
5. The equipment is moved to the warehouse and processed for surplus.
6. LPAA picks up the equipment from the warehouse.

Restrictions: Departments are responsible for removing all paper, chemicals, biohazard materials, supplies, wires, data, etc. that are not part of the intended surplus property. Contractors or LSUHSC-NO staff will not pick up any equipment that has not been cleared of these items. Compliance with University, HIPAA, state, and federal regulations should be followed when preparing equipment for surplus or disposal. Property found not in compliance with these restrictions will be returned to the Department.

Disposal of Scrap Equipment

Equipment that is broken beyond repair, or if repair is not cost effective, will be considered for scrap disposition. The Louisiana Property Assistance Agency (LPAA) must approve the classification and subsequent disposal. In some cases, LPAA will require that we treat the proposed scrap equipment as surplus to be sent to their warehouse.

Non-Computer Equipment only

1. The Department will complete and forward the Notice of Change in Moveable Equipment form via email to Asset Management at N.O. Inventory. The tag number (if tagged), the item description, present location and requested transaction code must be included.
2. Asset Management will view equipment and determine if a scrap request is appropriate. If so, Asset Management will process the transfer for scrap. The transfer will include scrap justification and pictures of the equipment.
3. Once the equipment is approved for scrap, Asset Management will remove any LSUHSC tags and mark the equipment with the transfer number and labeling it approved for scrap.
4. Small items can be disposed of as trash. Larger items may require coordination with Facility Services to procure a dumpster or have the scrap hauled away.

GOVDEALS

At the discretion of the Property Manager, equipment that the department has recommended for surplus may be sold “as is/where is” via GovDeals. Sale of equipment via GovDeals must be coordinated and approved by LPAA.

The equipment will be sold in place. The purchaser is responsible for arranging pick-up within 7 business days of purchase. Asset Management staff will be present to supervise equipment removal.

Trade-In of Equipment

All trade-ins of state owned equipment must receive prior approval from LPAA before the purchase of new/replacement equipment may be initiated.

The following documentation should be sent to Asset Management via email at NOInventory@lsuhsc.edu in order for approval to be requested. **Please allow a minimum of 5 business days for the request to be entered and approved by LPAA:**

1. An official quote from the selected vendor including the purchase price of new/replacement equipment without a trade-in.
2. An additional official quote from the selected vendor including the following:
 - The purchase price of new/replacement equipment;
 - The amount given for the purposed trade-in equipment;
 - The net cost (after trade-in) for the new/replacement equipment;
 - The state tag number of the equipment purposed as a trade-in;
 - The serial number of the equipment purposed as a trade-in.

Please note that the purchase price of the new/replacement equipment should be the same on both quotes. Vendor cannot mark-up the price when a trade-in is involved.

Once the required documentation is received, a transfer request will be created in the LPAA System (AMPS) with the required quotes.

LPAA will review and either approve the request, deny the request, or request further information. This determination is typically received within 5 business days, but can take longer based on LPAA workloads.

Once the decision is reached by LPAA and communicated to the Asset Management Department, a notification will be sent to the requesting department informing them of the determination. A requisition and/or purchase order may then be initiated.

Cannibalized Equipment

In accordance with State Property Control Regulations Chapter 5.501E moveable property cannot be dismantled, or cannibalized, without prior approval of the Louisiana Property Assistance Agency. The act of cannibalization includes disassembling or dismantling equipment

to the point of making the equipment unable to perform its original intended use. Requests for dismantling equipment must include a complete Notice of Change in Movable Equipment for submitted to Asset Management at NOInventory@lsuhsc.edu.

Custodial Equipment

Use of University Equipment

LSUHSC-NO prohibits personal use of University or sponsor owned equipment. LSUHSC-NO property may be taken and used off-campus if used for permissible reasons and properly authorized.

In accordance with Section 5-8 of the Regulations of the LSU Board of Supervisors, “no one shall use for his or her own benefit or for any other personal purposes any University System property of whatever description; and no one shall be permitted to remove from the buildings or grounds any property belonging to the University System, unless approved by the President or appropriate official designated by the President.”

Employees to whom property is entrusted shall be liable for the payment of damages whenever his wrongful or grossly negligent act or omission causes any loss, theft, disappearance, damage to or destruction of property of his agency for which he is responsible. (Louisiana Administrative Code Title 34, Part VII, Chapter 5, Section 305 (e)). Receipt and return of equipment should be sent to the Property Manager in the Asset Management Department.

Violation of this policy constitutes misuse of University equipment, materials, services and other property and may result in disciplinary action and/or criminal charges.

Equipment Assignment

Prior to any equipment being issued to an employee for use, or potential use, off-campus, the asset must be assigned through the use of an Equipment Tracking Form. This form must include the description, serial number, and LSUHSC-NO equipment tag number; and should be signed by the custodial employee and the authorizing Department Head (or their designee). The completed form must be submitted to the Asset Management Department via email at noinv@lsuhsc.edu.

Non-taggable equipment is not maintained by the Asset Management Department. It is the responsibility of the issuing department to maintain all inventory records including removal and return of non-taggable movable equipment by authorized employees.

Annual Certification

The Asset Management Department of LSUHSC-NO must conduct a statutorily required annual physical inventory of movable equipment. For Custodial Equipment this is accomplished using the Custodian's Certification of Equipment form. Each year a list is generated of all recorded custodial assets and used to generate emails to verify continued possession and authorization of taggable custodial assets.

The custodian will receive an email describing the asset of which they have been assigned. After verifying the asset information is correct, the property custodian will simply select the "Yes" or "No" button on the face of the email and their response will be recorded. Once the employee acknowledges possession of the property, an email will be triggered to their supervisor (or designee) for approval.

A detailed description of the process, timing, and requirements is described below:

1. Initial Custodial Certification of Equipment is sent to employee.
 - A. If the employee responds "Yes" they do have possession of the equipment described in the document, proceed to Step 2.
 - B. If the employee responds "No" they are not in possession of the described equipment, a representative of the Asset Management department will contact the employee for further information.
 - C. If the employee does not respond to the Custodial Certification request, a second request will be sent in five (5) days.

2. Supervisor Certification of Employee's Equipment is sent to the custodial employee's supervisor (or designee) after the employee responds "Yes" they are in possession of the described equipment.
 - A. When the supervisor (or designee) responds "Yes" they authorize the employee to possess the custodial equipment, the response is registered, the permanent file is updated, and the certification process is complete.
 - B. When the supervisor (or designee) responds "No" they DO NOT authorize the employee to possess the custodial equipment, a representative of the Asset Management department will contact the supervisor for further information and to coordinate the return of the equipment.
 - C. If the supervisor (or designee) does not respond to the Supervisor Certification of Employee's Equipment, a second request will be sent in five (5) days.

3. Supervisor Notification of Non-Compliance
 - A. If an employee who is assigned custodial equipment does not reply to the Custodial Certification of Equipment after the third request, their supervisor will receive a Notification of Non-Compliance email.

All custodial equipment for which an employee and supervisor certification is not received will be reported on the annual inventory as “Missing.” Please be aware that reporting items as missing could result in the department and the University receiving an audit finding from the Louisiana Property Assistance Agency (LPAA) and/or the Louisiana Legislative Auditors (LLA).

The email responses are compiled in SharePoint in the Site Contents section under Asset Custodian. The response information is exported to Excel on a daily basis.

The previous day’s data is reviewed by Asset Management for acknowledgement (“Yes” clicks) by both the custodian and the supervisor. The location of “CUSTODIAN” and the tag number for those assets are added to the inventory scan file and imported onto PeopleSoft to document that the asset has been inventoried.

Custodian and/or Supervisor responses of “NO”

Asset Management will research responses of “No” on the part of the Custodian and/or the Supervisor by performing the following steps:

1. Check for changes that may have occurred within the time period that the emails were sent.
2. Email the custodian and/or supervisor requesting further information and/or documentation that the equipment has been returned or reassigned.
3. Contact the School’s IT support staff to verify possession.

Once all avenues of researching the equipment have been exhausted and the asset cannot be located, the asset will be marked as missing on the year-end at inventory.

Return of Equipment

When an employee that has assigned custodial equipment is terminated (due to separation, retirement, etc.) or department authorization is revoked, all custodial equipment for which the employee is entrusted must be returned to the university and the receipt must be verified through the use of an Equipment Tracking Form. It is the responsibility of the department to ensure all equipment is returned by the custodian in good working order.

Failure to produce the property could result in the individual being held responsible for reimbursement to LSUHSC-NO of the original cost of the property.

Lost, Stolen, and/or Damaged Equipment

According to Louisiana Statute, Title 34 Part VII section 305 E, “The agency property manager and each person to whom property is entrusted and receipted for as provided in these regulations

shall be liable for the payment of damages whenever his wrongful or grossly negligent act or omission causes any loss, theft, disappearance, damage to or destruction of property of his agency for which he is responsible as provided herein, and such damages shall be recoverable in a civil suit, therefore, prosecuted on behalf of the state by the attorney general.”

Instances of loss, theft, and/or damage will be addressed as follows:

Lost Equipment

Any equipment that cannot be located and is not documented as stolen is deemed to be Lost according to LPAA. These items are required to be placed on the missing list for three (3) subsequent years during which time Asset Management and the departments are responsible for trying to locate missing equipment.

If custodial equipment is determined to be lost, Asset Management will notify the Department Head and/or Dean of the circumstances regarding the loss, including the asset description and tag number, and the original value of the lost asset. It is the department’s responsibility to review the circumstances and to collect the value of the lost equipment from the custodian in accordance to Louisiana Statute.

Stolen Equipment

For any equipment to be considered stolen, a copy of a police report documenting “forced entry” must be submitted to Asset Management. Asset Management then informs LPAA of the theft and provides documentation. LPAA will allow Asset Management to submit a transfer to retire the asset as stolen.

If there is no forced entry indicated on the police report, LPAA will not recognize the equipment as stolen. In these cases, the equipment will be considered lost.

Asset Management must place the equipment on the missing list for 3 years before retirement of the asset is approved. Refer to “Lost Equipment” section for further information.

Damaged Equipment

Equipment damaged due to vandalism or criminal incident must have a police report and pictures of the damaged equipment submitted to Asset Management. Asset Management will then submit a transfer request to LPAA to retire the asset. LPAA will review the police report and pictures in order to determine whether or not to allow retirement of the asset. If approved by LPAA, the asset is retired and removed from inventory. If the retirement is denied by LPAA, the damage will be considered due from negligence.

If custodial equipment is determined to be damaged due to negligence of the custodian, Asset Management will notify the Department Head and/or Dean of the circumstances regarding the damage, including the asset description and tag number, the cost of the repairs, and the original

value of the lost asset. It is the department's responsibility to review the circumstances and to collect the cost of the repairs or value of the damaged equipment from the custodian in accordance to Louisiana Statute.

Equipment Entrusted to a Non-LSUHSC Employee:

Gratis & Emeritus

A custodian who is listed as Gratis or Emeritus must maintain and routinely monitor a LSU Health Sciences Center email account. The department head for the department issuing the equipment will be assigned as their supervisor. The annual verification process will be the same as that of an active employee.

Third Party Custodians

A third party custodian is one who is assigned equipment due to a cooperative endeavor, contract, or an affiliate agreement, and is not an employee of LSU Health Sciences Center.

The equipment is tracked via a manually generated annual certification letter which is sent to the Business Manager or IT Support for distribution to the assigned custodians. It is the Business Manager's or IT Support's responsibility to verify that the equipment remains in the possession of the assigned custodian and that any changes are reported to Asset Management.

The Department Head (or designee) must approving the custodian to have the equipment and insure that a cooperative endeavor, contract, or affiliate agreement that provides for the equipment to be assigned to a third party entity is in effect.

Inventory

In accordance with Title 34, Part VII, Chapter 3, Section 313 of the Louisiana Revised Statutes, the agency property manager is required to conduct an annual physical inventory of the property owned by the agency each fiscal year and not more than 12 calendar months since the last physical inventory. The property manager is required to notify the Louisiana Property Assistance Agency (LPAA) in writing 30 days prior to the start of the inventory.

Departmental Responsibilities for Inventories

LSUHSC-NO requires departmental assistance in completing University inventories of taggable moveable equipment, answering questions relating to departmental equipment, receiving and processing Asset Management forms, coordinating the disposal of departmental equipment, and providing a contact point for University, State, and Federal audits. Moveable equipment should be secured and protected by all department personnel. Each department and/or division is required to have a Departmental Property Custodian (DPC), typically Business Manager, to

facilitate this policy. The department should keep Asset Management informed of any changes in the DPC, so a current list may be maintained.

Items Subject to Inventory

To comply with federal and state requirements, Asset Management places an LSUHSC-NO numbered tag on all moveable property having an “original” total acquisition cost, when first purchased by the state of Louisiana, of \$1,000 or more, all gifts and other property having a fair market value of \$1,000 or more. All weapons, and other equipment categorized as weapons, must be placed on the statewide inventory system regardless of cost.

Annual Inventory

Asset Management staff conducts a blind inventory building-by-building using bar code scanners. When the inventory of all buildings on campus is completed, departments receive a “Missing” report of property that was not located. Departmental personnel then work to locate the missing equipment and complete the “Missing” reports.

Inventory Procedure

Asset Management

1. Develops the inventory schedule based on a rotating cycle, showing the start date of inventory, start date of manual search, and the ending date of inventory.
2. Conduct inventory of each building by using a floorplan of the building, scanning room to room, and noting any floorplan adjustments.
3. Conduct a manual search for items on the interim unders/discrepancy report.
4. Send “Missing” reports to department heads, deans, directors, business managers, or designees. (Note: the “Missing” report reflects all tagged equipment not located during the physical inventory.)

Department

5. Must respond within 14 days of receipt of the “Missing” report by:
 - a. Looking for assets that are “missing” and communicate to Asset Management if assets have been located,
 - b. Include current location of assets that have been located,
 - c. Correct any other discrepancies for the assets on the “Missing” report, and
 - d. Note explanation, or circumstances regarding, items that remain “Missing”.

Asset Management

6. Any equipment not located remains in a missing inventory status for three years and then is reviewed for final disposition.
7. All equipment, including “missing” equipment must be included in the annual inventory in order to attempt to locate missing equipment in subsequent inventories.

Stolen University Equipment

LSUHSC-NO departmental personnel must report stolen equipment, or any equipment believed to be stolen, to University Police immediately upon discovery. Police reports are required by Louisiana Administrative Code Title 34, Part VII, Chapter 5, Paragraph 503, D.5. Act 1101 of the 2001 Legislative Session also requires the Legislative Auditor and the District Attorney to be notified of any apparent theft of public funds or assets. The police report is utilized for this notification.

Disaster or Emergency Preparation

In the event of a perceived or known disaster or emergency, the following steps should be taken where possible. If there are any questions or issues, please contact one of the numbers or e-mail addresses above for further instruction.

Asset Management

- 1) Ensure all tagged equipment is added to PeopleSoft Asset Management. Offsite backup of information negates the need for copies of inventory.
- 2) Scan documentation of any equipment that remains untagged to insure against loss due to disaster.
- 3) Ensure that all equipment location changes are updated in PeopleSoft.
- 4) Ensure that all custodial equipment assignments and/or changes are updated in PeopleSoft.

LSUHSC-NO Faculty and Staff

- 1) Protect and safeguard equipment by putting items away from windows or off the floor, locking doors, etc.
- 2) In the event that equipment is moved off-campus, or to another location, complete the Equipment Tracking Form or Notice of Change in Moveable Equipment Form and email Asset Management at N.O. Inventory. This process is important for Asset Management to have a complete and accurate inventory of items.

Any biohazard or chemical inventory items should refer to the Safety Department manual or instructions for Disaster or Emergency Preparation.