

HEALTH SCIENCE CENTER HANDBOOK OF OPERATING PROCEDURES

Chapter 6	Fiscal Policies and Procedures	Effective:	May 2000
Section 6.3	Property Control	Revised:	October 2010
Policy 6.3.3	Deletion of State Property	Responsibility:	Assistant Vice President for Business Affairs

DELETION OF STATE PROPERTY

Deleted Property

Property is deleted from a department's official inventory for one of the following reasons:

Obsolete, Unserviceable, Worn Out, or Surplus Property

To remove property 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 property pool's inventory until the property is transferred to another department or otherwise disposed of as follows:

- Data processing property (computers and computer peripherals) that is not transferred to another department will be transferred to the Texas Department of Criminal Justice.
- Property 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 property containing software or sensitive data such as patient health information (PHI) or social security numbers (SSN) an [Electronic Data Storage Device Disposal](#) form 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, thereby releasing the department from further responsibility. This approved request will become part of the official deletion records in the Property Control Office.

In the event revenue is realized through the final disposition of obsolete, unserviceable, or worn out property, it will be turned over to the

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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 [Capitalized 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 [Capitalized Software Deletion Request](#) to the Property Control Office so the item can be deleted from the department's inventory.

These rules apply to grant accounts unless there are restrictions imposed by the donor.

**Parts Removal
Policy**

Surplus computers transferred to the Warehouse should be segregated into two groups: (1) those that appear to be workable and (2) those that are unworkable, stripped or cannibalized. Only the unworkable computers are available for parts. Individuals 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.

**Property Lost,
Stolen, or
Unusable Due to
Damage or
Destruction**

All deletion requests in this category must have the written approval of the Vice President and Chief Financial Officer. In each case of property being lost, stolen, damaged, or destroyed, the department must conduct a thorough investigation to determine if the custodian should be held liable.

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For all lost or stolen property that is on the department’s inventory regardless of value, the department must notify University Police so 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, Director or Administrator should notify University Police so that an investigation may be started immediately.

For all unusable property resulting from damage or destruction, the department must notify Property Control and request a copy of the “Request to Delete Property Which is Lost, Stolen or Unusable Due to Damage or Destruction”. After approval from the Vice President and Chief Financial Officer, Property Control will notify the Warehouse that the property may be picked-up. The property will be removed from the department’s inventory.

Missing Property

A diligent search shall be conducted by the department for missing property until it is found or until it is established that the property is lost. After the property is reported missing for three (3) consecutive years, Property Control will complete the “Missing Property Form” and send it to the department Chair or Director for signatures.

Transferred Property

For transfers of property to another department within the University, refer to [Section 6.3.2](#) of the *Handbook of Operating Procedures* (HOP), “Acquisitions of State Property”.

Trade-in Property

Departments trading-in property must notify Property Control of the trade-in. Documentation of the trade-in (e.g. PO, letter from vendor, etc.) must accompany the notification.

Cannibalization of Property

Departments must notify Property Control prior to the cannibalization of any property. The department Chair, Director or Administrator should submit a [Property Deletion Request](#) to Property Control for approval. If approved, a signed copy of the form will be returned to the department authorizing the cannibalization process. At this time, Property Control personnel will remove the inventory tag from the property. After the

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cannibalization process is completed, all remaining scrap parts should be turned over to Materials Management Warehouse for final disposition.

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

Release of property to another institution may be made pursuant to a grant award, which includes an authorization to assume title and establishes accountability for the property. The relinquishing institution shall be required to provide the receiving institution and the awarding agency with a listing of the property, dates of purchase, and acquisition cost. The receiving institution shall formally acknowledge receipt of such property 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 property is to be paid from grant funds.

In order to release the property to the receiving institution, the Principal Investigator shall submit a letter to the Vice President and Chief Financial Officer through the department Chair requesting approval to transfer the property. A listing of the property must be submitted, with the request letter indicating the inventory number, description, year acquired, and acquisition cost.

If approved, the Vice President and Chief Financial Officer will furnish Property Control with the approved copy of the request letter, along with a copy of the property listing. Property Control will advise the department that the release of the property has been authorized. Under no circumstances will any property be physically removed from the premises of the University until the above requirements have been met.
