To: Deans, Directors, and Department Chairs

From: Jeffrey J. West, Associate VP for Financial and Business Services
Larry N. Dew, Assistant VP for Health Sciences - Finance

Date: September 10, 2007

Subject: Security and Accountability for University Equipment

The duty to safeguard and maintain strong accountability for University equipment is an important responsibility of deans, directors, department chairs, principal investigators, and supervisory personnel at all levels. Diligent attention to this is important for two reasons:

- There are inherent risks of waste, misuse, or theft. Some recent cases have resulted in considerable disruption for the departments involved, and legal consequences for some individuals.
- Policy compliance and the effectiveness of departmental procedures are scrutinized regularly by internal and external auditors, including auditors from federal agencies. Missing equipment or other reported deficiencies invite audit findings that typically call for stricter, more intrusive policy requirements, or imposition of punitive consequences for non-compliance. Because of the importance of federal funding to the University, there may not be a practical alternative to complying with such requests.

We encourage all faculty and staff who have oversight of University equipment to learn and follow established policies and procedures. The primary policy reference is University Policy PPM 3-40. The Property Accounting department is available to answer questions re: this policy. They can be contacted at (801) 581-3973 or via http://fbs.admin.utah.edu/index.php/property/

Important items to be aware of are as follows:

- Equipment that is donated or purchased with institutional funds, from whatever source, is institutional property subject to University policies and procedures.
- Faculty or staff who terminate employment are prohibited from taking University equipment with them, regardless of the perceived market value. Limited exceptions apply when a contract or grant is transferred to another institution and written approval is obtained from the Vice President for Research. Any department that learns equipment has been taken should immediately make vigorous attempts to contact the person involved and recover the equipment. If such attempts are unsuccessful, the Office of General Counsel should be notified. Ordinarily, equipment that cannot be immediately recovered will be reported to the police as a theft.
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- Annual verifications of asset listings provided by the Property Accounting department should be completed timely and accurately. Failure to return completed inventories trigger reminder memos to line management - leading ultimately to notification of the cognizant vice president. Signing the inventory should not be perfunctory; since the person who signs the inventory is personally certifying that each item was located.

- Any items reported as missing during the annual asset verification are subject to an established process for resolution. Essentially, a diligent search must be made and approval obtained for any equipment proposed to be written off. Necessary approvals depend on the dollar amounts involved.

- The annual verification process coordinated by Property Accounting applies only to equipment costing more than $5,000*. It is also very important for departments to maintain strong accountability for many other items, such as computer equipment. While particular methods vary, many departments assign the person who completes the annual inventory verification to also maintain records of equipment costing from $1,000 to $5,000 – for insurance purposes.

* UU Hospitals & Clinics have a $1,000 minimum threshold

Thank you for your attention to this matter. We would appreciate it if you could forward this communication to appropriate faculty and staff in all areas under your jurisdiction.

UPol 3-040