Equipment Manual

Prepared by Fiscal Learning & Engagement
# Table of Contents

**Introduction** ......................................................................................................................................................... 3

**Responsibilities** ................................................................................................................................................... 3

**Inventory Software** ............................................................................................................................................... 4

**Equipment Forms** ................................................................................................................................................ 5

**Equipment Use Codes** ........................................................................................................................................ 5

**Life Cycle of Equipment** ..................................................................................................................................... 6

**Acquisition** .......................................................................................................................................................... 7

- Equipment Delivered Directly to the Department/Office ....................................................................................... 7
- Equipment Delivered by Central Receiving ........................................................................................................... 7
- Equipment Purchased Through Patriot Tech ......................................................................................................... 7
- Equipment Acquired Through the George Mason University Foundation (GMUF) ............................................. 7
- Fabricated Equipment ........................................................................................................................................... 7
- Equipment Vesting with a Sponsor ......................................................................................................................... 8
- Leased/Rented/Borrowed Equipment .................................................................................................................. 8

**Equipment Transfers** ......................................................................................................................................... 8

**Equipment Assignments and Loans** .................................................................................................................. 8

**Equipment Tagging** ............................................................................................................................................. 9

- Equipment Disposal ........................................................................................................................................... 9
- Theft or Casualty Loss ......................................................................................................................................... 9
- Surplus Property ................................................................................................................................................... 9
- Trade-In Equipment ........................................................................................................................................... 10
- Warranty Replacements .................................................................................................................................... 10
- Cannibalization .................................................................................................................................................. 10
- Abandonment .................................................................................................................................................. 10

**Reporting Losses to the Police and/or the Office of Risk Management** .............................................................. 10

**Physical Inventory** ............................................................................................................................................. 12

- Physical Inventory Checklist ................................................................................................................................ 12
- Before the Inventory ........................................................................................................................................... 12
- During the Inventory ............................................................................................................................................. 12
- After the Inventory .............................................................................................................................................. 12

**Equipment Not Found** ..................................................................................................................................... 13

**Equipment Trust Fund (ETF)** .............................................................................................................................. 13

**Furniture and Other Equipment** ....................................................................................................................... 14

**Contacts & Resources** ....................................................................................................................................... 14

**Appendix A – University Policy 2104** ................................................................................................................ 15
Introduction

University Policy 2104 – Inventory Control of Office and Educational Equipment and Furniture, provides for the accountability of equipment, from acquisition to final disposition, including the annual inventory process. The full text of the policy is also included in the appendix to this manual.

All equipment with an acquisition cost or donated value of $5,000 or more and all Equipment Trust Fund (ETF) items, regardless of value, are recorded in George Mason University’s central inventory. The following procedures have been developed to assist departmental personnel in complying with the policy. When read in conjunction with the policy, these procedures will help ensure proper accountability for all equipment that is recorded in Mason’s central inventory. The policy and procedures apply to all stages in the life cycle of equipment: acquisition, deletion, loan, assignment, transfer, inventory, and disposal.

Responsibilities

As an agency of the Commonwealth of Virginia, George Mason University (Mason) has an inherent obligation to exercise appropriate stewardship and accountability for all equipment in its possession. This policy applies to all acquired equipment (purchased, leased, fabricated, borrowed, donated, etc.) regardless of the source of funding (educational and general funds, sponsored program funds, George Mason University Foundation, Equipment Trust Fund, etc.).

Departmental and office personnel are responsible for ensuring that equipment is adequately safeguarded and controlled, and that all changes and discrepancies are promptly reported to Fixed Assets Office, the Office of Risk Management and/or the University Police as necessary.

Deans, Directors, Vice Presidents and Departmental Managers are responsible for

- Following proper procedures for the procurement, transfer and disposal of all equipment within their area of responsibility.
- Safeguarding and controlling all equipment in their area of responsibility, maintaining internal policies and procedures as deemed necessary to supplement this policy.
- Assigning departmental equipment liaisons/custodians, ensuring they possess the necessary skills and obtain appropriate training required to perform their duties.
- Ensuring a proper physical inventory, in accordance with university procedures, is performed on an annual basis.
- Taking reasonable steps to protect equipment/property from damage, reporting any loss/damage promptly to Police and the Office of Risk Management, and cooperating in the investigation and settlement of the claim by providing proof of loss documentation and allowing for inspection and appraisal of damaged items prior to repair or replacement (general duties after a loss/damage).

Equipment Liaisons are responsible for

- Facilitating communication between the department, the Fixed Assets Office, the Office of Risk Management and the University Police.
- Ensuring that all assets in the department’s possession are adequately safeguarded and controlled. This includes practicing internal controls to prevent theft or loss and keeping inventory information up-to-date.
- Promptly reporting status changes and discrepancies (acquisition, transfer between departments, disposition, cannibalization, destruction, loss, theft, etc.) of centrally recorded (i.e., barcoded) equipment to the responsible office(s) as soon as possible (within 30 days of activity).
- Promptly identifying newly acquired equipment and gifts (in-kind donations) valued at $5,000 or more and all ETF Equipment and reporting to Fixed Assets for recording, obtaining a new barcode label, receiving and applying the barcode label to the equipment.
- Maintaining documentation regarding the life cycle of equipment.
- Attending the annual physical inventory training offered by Fixed Assets.
- Conducting the annual physical inventory. This includes locating all equipment assigned to the unit during the annual inventory and verifying the accuracy of the physical inventory.
- Contacting the University Police when theft or vandalism has occurred or is suspected.
- Reporting damaged/lost equipment to the Office of Risk Management and assisting with the prompt filing of insurance claim(s).
- Ensuring that assets are not sold or donated by unauthorized personnel.

The Fixed Assets Office is responsible for

- Recording events in the life cycle of equipment and providing departments, offices and management with financial and inventory reports.
- Providing an equipment list to the department upon request. Lists are typically available within two business days of request and can be produced in various formats; e.g., by building, by room, by category, by acquisition date, etc. Contact the Equipment Program Administrator at assets@gmu.edu to request a list in a particular format (See also “Inventory Software” below).
- Providing instructions to each department outlining the procedures for conducting the annual physical inventory. Assisting liaisons as necessary during the physical inventory process.
- Performing post inventory audits on a random sample of assets/departments each year.

The Office of Risk Management is responsible for insuring equipment, and for investigating and processing insurance claims for lost, stolen, missing, damaged, or destroyed university equipment due to an accident or unexpected event such as fire, lightning, power failure, explosion, wind, hail, water, theft or vandalism. The university's insurance policy is subject to a “per occurrence” deductible and excludes coverage for employee dishonesty, unexplained (mysterious) disappearances, losses and shortages disclosed when taking inventories, normal wear and tear, deterioration, rust, corrosion, faulty design, material, workmanship and latent defect. All property, including borrowed items that are under the university’s care, custody, and/or control are covered by the policy for replacement value. The deductible per incident is $1,000 and must be assumed by the department in custody of the property. In cases where several departments lose items due to the same incident, such as a fire, the $1,000 deductible is prorated among the various departments. Property coverage is worldwide, regardless of who has control of the item at the time the loss occurs.

The University Police Department is responsible for investigating all reported property loss in a timely manner. The University Police Department coordinates with the individual department(s), Fixed Assets Office, and the Office of Risk Management in the identification and valuation of all property reported as damaged, lost, stolen, etc.

Inventory Software

The university’s designated inventory system is called TraQ. The TraQ automated inventory software is available for use by any department liaison. The TraQ software allows users to monitor and control equipment inventory, make inquiries and produce customized reports at any time. Liaisons may also directly update the inventory database when there is a change in the building or room number associated with equipment assigned to their unit. Department Liaisons may access TraQ here: http://gmu.quetelcloud.com/Login.aspx?ReturnUrl=%2fdefault.aspx.

Supervisors/Department Heads may request access to TraQ for their liaisons by completing the TraQ Web Access User Request Form. The form must include the following information: Liaison’s name, phone number, email address, department name and org(s) numbers and signature of the Supervisor/Department Head and Liaison. Please contact the Equipment Program Administrator at x3-4456 for more information about using TraQ.
Equipment Forms

There are several forms to report changes in equipment status and to assist in maintaining the central inventory database. These forms are available on the Fiscal Services web site at https://fiscal.gmu.edu/forms-and-instructions/. A brief description of form usage is available below.

- **Home Loan/Off-Campus Assignment Form** - To authorize the temporary assignment/loan of equipment to faculty or staff.
- **Equipment Loss Form** - To report a theft, suspected theft, casualty loss, damage, or other loss of equipment.
- **Equipment Surplus Form** - To initiate the removal process for unwanted equipment.
- **Interdepartmental Equipment Transfer Form** - To document the transfer of equipment from one department to another and ensure proper recording of the ownership.
- **New Equipment Location Form** - To communicate the proper location and ownership of equipment.
- **Property on Loan to George Mason University Form** - To lease, rent, or borrow equipment.
- **George Mason University Property on Loan Form** – To loan equipment to individuals and organizations that are not part of the University community
- **Request for Authority to Cannibalize Equipment Form** - To request authority from Fixed Assets to remove parts from one specified item of equipment for use in another specified item of equipment.
- **Request for Tagging New Equipment Form** - To request a barcode for equipment that has not already been assigned a barcode.
- **Returned Equipment Form** – To document equipment trade-in and warranty replacements.
- **TraQ Web Access User Request Form** - To request access to the university’s online equipment database (TraQ).

Equipment Use Codes

Equipment Use Code are designed to accumulate information for the purpose of allocating funds from the Equipment Trust Fund (ETF) to the university. Departmental personnel should select the most appropriate code for the primary intended use of the equipment. Many of the required equipment forms require an Equipment Use Code. Equipment Liaisons should be familiar with the following codes. Please contact the Fixed Assets Office for assistance in determining which code to use.

<table>
<thead>
<tr>
<th>Equipment Use Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>101 Instruction</td>
<td>Teaching and training activities: Includes courses offered for credit or non-credit; also includes departmental research and public service not separately budgeted; includes academic department chairpersons, but not academic deans; includes direct support for instructional activities, such as grading students’ work and assisting with course-related matters, supervising graduate students’ thesis work, advising students, and committee work and meetings directly related to instruction.</td>
</tr>
<tr>
<td>102 Research</td>
<td>Research sponsored by external agencies and internal research that is separately budgeted: Includes research activities and research training where such activities are not included in the instruction function described above. These activities are typically funded by grants or contracts.</td>
</tr>
<tr>
<td>103 Public Service</td>
<td>Activities to provide non-instructional services beneficial to individuals and groups external to the University: Includes non-instructional community service (conferences, reference bureaus, testing services, etc.), cooperative extension service, and public broadcasting services.</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
</tr>
<tr>
<td>--------</td>
<td>-------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>104</td>
<td>Academic Support: Support for instruction, research and public service activities. Includes libraries,</td>
</tr>
<tr>
<td></td>
<td>museums and galleries, educational media services, academic computing support, academic administration</td>
</tr>
<tr>
<td></td>
<td>(including academic deans but not department chairpersons), academic personnel development, and course</td>
</tr>
<tr>
<td></td>
<td>and curriculum development.</td>
</tr>
<tr>
<td>105</td>
<td>Student Services: Organized administrative activities that provide assistance and nonacademic support</td>
</tr>
<tr>
<td></td>
<td>to the needs and interest of students. Includes course registration, career advising, health and</td>
</tr>
<tr>
<td></td>
<td>fitness, minority students and other student groups, social and cultural development, financial aid</td>
</tr>
<tr>
<td></td>
<td>administration, and admissions.</td>
</tr>
<tr>
<td>106</td>
<td>Institutional Support: Central executive-level activities concerned with management and long-range</td>
</tr>
<tr>
<td></td>
<td>planning for the entire University. Includes executive management, legal and fiscal services, internal</td>
</tr>
<tr>
<td></td>
<td>audit, general administration and logistical support (personnel and space management, purchasing,</td>
</tr>
<tr>
<td></td>
<td>campus-wide transportation services, safety, etc.), administrative computing support, and public</td>
</tr>
<tr>
<td></td>
<td>relations/development.</td>
</tr>
<tr>
<td>107</td>
<td>Operation and Maintenance of Plant: Operation and maintenance of physical plant. Includes utilities,</td>
</tr>
<tr>
<td></td>
<td>fire protection, property insurance, custodial services, and grounds maintenance.</td>
</tr>
<tr>
<td>809</td>
<td>Auxiliaries (Operations that function financially as self-sustaining business units): Examples include</td>
</tr>
<tr>
<td></td>
<td>the residence halls, meal plan, student unions, athletics, print services, telecommunications, and the</td>
</tr>
<tr>
<td></td>
<td>student organizations.</td>
</tr>
</tbody>
</table>

**Life Cycle of Equipment**

- **Acquisition**
  - $5,000+ value and all ETF equipment must be barcoded

- **Assign, Transfer or Loan**
  - Complete correct form to assign, transfer or loan equipment

- **Surplus, Cannibalize, Loss**
  - Update central inventory as equipment is no longer needed and/or is lost/stolen

- **Annual Inventory**
  - Provide a complete accounting of equipment on a yearly basis
Acquisition

The University acquires possession of equipment from various sources. The Commonwealth of Virginia requires all university property to be acquired/purchased according to the rules and regulations set forth in the Purchasing Guidelines. Generally, purchased equipment will be shipped directly to the department; however, in some cases, equipment may be shipped to Central Receiving and then delivered to the department. Listed below are the required steps the Equipment Liaison should take based on the delivery of equipment.

Equipment Delivered Directly to the Department/Office

When equipment is delivered directly to the department by the vendor additional action is required if the equipment was purchased with ETF or valued at $5,000 or more. For equipment over $5,000 and all ETF equipment, the department must complete a Request for Tagging New Equipment Form and forward it to the Fixed Assets Office within three working days of receiving the equipment. Fixed Assets will then provide, via interoffice mail, a New Equipment Location Form with three Bar Code stickers to be affixed to the front and back of the equipment. Departments must complete the Form and return it to Fixed Assets within three working days. At their discretion, departments may submit a Request for Tagging New Equipment Form for items below $5,000; however, these items will not be included in the annual inventory process.

Equipment Delivered by Central Receiving

Occasionally, equipment may be shipped to Mason’s Central Receiving by the vendor. Central Receiving will verify the cost of the equipment, and affix a barcode label to equipment that qualifies for capitalization. A New Equipment Location Form is also placed in the container with the equipment. Central Receiving then delivers the equipment to the department/office that initiated the acquisition. Within three working days of receiving the equipment, departments must complete the New Equipment Location Form and forward it to the Fixed Assets Office. The information is used to record the equipment location in TraQ and to assist officials in cases of theft or casualty.

Equipment Purchased Through Patriot Tech

When equipment is purchased through Patriot Tech (Barnes & Noble) and valued at $5,000 or more, the department must complete a Request for Tagging New Equipment Form and forward it to the Fixed Assets Office within three working days of receiving the equipment. Fixed Assets will then provide, via interoffice mail, a New Equipment Location Form with three Bar Code stickers to be affixed to the front and back of the equipment. Departments must complete the Form and return it to Fixed Assets within three working days. At their discretion, departments may submit a Request for Tagging New Equipment Form for items below $5,000; however, these items will not be included in the annual inventory process.

Equipment Acquired Through the George Mason University Foundation (GMUF)

Occasionally, GMUF receives and distributes donated equipment to university departments or offices, reimburses Mason employees for equipment acquired for university related purposes (at home or on campus), and/or purchases equipment as gifts to departments or offices. Equipment provided by GMUF becomes the property of George Mason University. Within three working days of receiving the equipment, the department must complete a Request for Tagging New Equipment Form and forward it to the Fixed Assets Office. Fixed Assets will then provide, via interoffice mail, a New Equipment Location Form with three Bar Code stickers to be affixed to the front and back of the equipment. Departments must complete the form and return it to Fixed Assets within three working days.

Fabricated Equipment

Equipment parts are sometimes purchased separately with the intent of assembling equipment on-site. If the total value of the fabricated equipment exceeds $5,000, the equipment created must be barcoded and follow all
capitization guidelines. The department must send an email or memo to Fixed Assets to report the fabricated equipment within 30 days of completion and assist with developing an equipment record.

**Equipment Vesting with a Sponsor**

Occasionally, title to equipment purchased on a sponsored contract vests with the sponsor rather than Mason. Within three working days of receiving the equipment, the department must complete a Request for Tagging New Equipment Form and forward it to the Fixed Assets Office. Fixed Assets will then provide, via interoffice mail, a New Equipment Location Form with three Bar Code stickers to be affixed to the front and back of the equipment. Departments must complete the form and return it to Fixed Assets within three working days. While these assets are tracked and inventoried with all other assets, they are only being safeguarded for the sponsor and are not included in the University’s financial statements.

**Leased/Rented/Borrowed Equipment**

Departments that obtain equipment from others on a temporary basis must accept responsibility for the care, custody, and control of those items. The university’s property insurance provides the same coverage for these items as for items owned by Mason. A contract or letter of understanding between the parties involved must be executed and signed by the appropriate departmental authority, such as Department Chair, Dean and Director. Utilize the Property on Loan to George Mason University Form to record possession of this equipment. This form must be on file with the University Office of Risk Management for insurance coverage. If the item is not returned in the same condition as it was received, except for fair wear and usage, the University Risk Manager must be notified. In the case of mechanical, electrical, and potentially hazardous items, the owner should assume full responsibility for the safe condition of the item. The university should assume responsibility only for the safe operation of the item.

In general, Fixed Assets does not record items leased, rented, or borrowed for less than one year in the central database (TraQ). However, please notify fixed assets via email of any leased equipment.

**Equipment Transfers**

Equipment may be transferred between departments or offices within the university. Both departments must complete and sign the Interdepartmental Equipment Transfer Form and forward it to Fixed Assets within 30 days of the transfer. The department releasing the equipment has the responsibility to ensure the form is properly completed and forwarded to the Fixed Assets Office.

Equipment may not be transferred directly by the department or office to any entity or person not directly affiliated with the university. This includes, but is not limited to students, other State Agencies, high schools, and charities. This also includes transfer to faculty, even when the equipment was purchased with grant or contract funds. Only the Surplus Property Officer, with the permission of the State, has the authority to donate equipment to others.

**Equipment Assignments and Loans**

Portable equipment, such as laptop computers, valued at $5,000 or more and all ETF equipment that has been assigned to a faculty or staff member for more than three months must be reported to the Fixed Assets Office. Laptop computers, desktop PCs, and other large items may also be lent to faculty and staff for use at their homes or alternate location. This equipment is to be used for Mason business purposes only. Departments must complete the Home Loan/Off-Campus Assignment Form and obtain the necessary signatures for all equipment on loan or assignment. The department should retain the original. A copy of the Home Loan/Off-Campus Assignment Form should only be sent to the Fixed Assets Office for ETF equipment and/or when equipment is valued at $5,000 or more. When the next inventory report is received, the department should verify that it properly identifies the assignee. The department should notify Fixed Assets when an ETF item or item valued at $5,000 or more is returned to the department’s custody.
It is not necessary to notify Fixed Assets when equipment is on loan for less than three months. Nevertheless, departmental liaisons should keep a log of all equipment on loan, including names of assignees and the expected return date, in order to maintain accountability at all times.

**Equipment assignment/loan to individuals and organizations not part of the University community** is not permitted, unless the responsible department Chairs/Deans and Directors approves the loan by initiating a *George Mason University Property on Loan form* and Fixed Assets approves this assignment/loan. The use or equipment must be:

- In connection with an approved university sponsored activity, event or service.
- Part of a contractual agreement between the university and a government agency, a private business or another educational institution; and the agreement has been reviewed for consistency by University Counsel.
- Used by an official visitor to the university and appropriate to the purpose of the visit.
- In connection with a public service activity and the equipment does not exist elsewhere or is not reasonably otherwise available to the user.

**Equipment Tagging**

All equipment valued at $5,000 or more and all ETF equipment must be identified with a barcode label attached to the item, and entered into the university’s inventory records. Each department/office has an obligation to ensure that equipment it receives is properly barcoded. The barcode label must be visibly affixed to the equipment and in an accessible location. Remember, the more accessible the label, the easier and more efficiently an inventory or verification of equipment can be executed.

Mason departments may request a barcode for equipment under $5,000 for internal purposes by completing the *Request for Tagging New Equipment* form found on the Fiscal Services webpage at [https://fiscal.gmu.edu/forms-and-instructions/](https://fiscal.gmu.edu/forms-and-instructions/). The completed form can be emailed to assets@gmu.edu.

Departments may not make barcode number changes, create duplicate barcode numbers or print their own barcode labels. If a barcode becomes scratched or unreadable, send an email to assets@gmu.edu requesting a replacement barcode.

**Equipment Disposal**

Equipment disposal refers to both physically removing properties from a department and/or removing items from the department’s active inventory. Disposal methods and the appropriate corresponding procedure are outlined below.

**Theft or Casualty Loss**

Equipment will be inactivated and removed from the inventory records due to theft or casualty incidents. The Police Department and the Office of Risk Management must be notified, investigate the incident and file an insurance claim(s). An *Equipment Loss Form* and the police incident report must be provided to the Fixed Assets Office in order to inactivate the equipment in the TraQ database. Keep in mind, however, that Fixed Assets cannot remove items from the database until the incident has been reported to and processed by the Office of Risk Management and/or University Police. *Note: ETF items meeting the threshold still need to be replaced.*

**Surplus Property**

Equipment no longer needed by the department must be turned in to the Surplus Property Office. Departments should complete the Equipment Surplus Form and submit it through Workflow to Surplus Property (instructions for Workflow Requests are at [https://fiscal.gmu.edu/equipment/dispose-equipment/](https://fiscal.gmu.edu/equipment/dispose-equipment/)). The Surplus Property Office will then pick-up requested equipment and notify the Fixed Assets Office to remove the items from the inventory records.
Departments are responsible for the security of all equipment until picked up by Surplus Property. The departments should retain a copy of the completed Workflow instance in its files.

**Trade-In Equipment**

Equipment can be traded-in to a vendor in return for a credit on the purchase of new equipment. If a department chooses to do this, they must provide the *Returned Equipment Form* to the Fixed Assets Office and a copy of the vendor’s invoice listing the trade-in value in order to inactivate the equipment in the database. This form must include the barcode(s) of the equipment traded and the date the equipment was returned to the vendor.

**Warranty Replacements**

Equipment under warranty may become defective and be replaced by the vendor or manufacturer. The equipment liaison must complete the *Returned Equipment Form*, including serial number of the replacement equipment and documentation from the vendor confirming the replacement. Once the paperwork is received, the Fixed Assets Office will forward the department a new barcode for the replacement equipment and inactivate the defective equipment in the database.

**Cannibalization**

As a general rule, cannibalization is only permitted for the purpose of repairing a similar damaged piece of equipment, when the damaged item is so old that spare parts would be difficult to obtain. Before cannibalization of ETF equipment or equipment with book value of $5,000 or more is performed, departments must contact Fixed Assets to have the equipment inspected and certified for cannibalization. A *Request for Authority to Cannibalize Equipment Form* must be completed and forwarded to Fixed Assets. Appropriate signatures are required.

Cannibalization for the purpose of creating a pool of parts for future repairs is not permitted. Cannibalization for personal purposes is also prohibited. All such occurrences will be considered theft and must be reported to the Police.

**Abandonment**

Departments are prohibited from abandoning equipment. Items that are beyond repair or obsolete beyond usage must be processed as surplus.

**Inappropriate Disposal Methods**

- Throwing equipment in the trash
- Taking home equipment or unusable parts for personal use
- Donating equipment without appropriate approval
- Placing equipment in the hall under a sign saying “Free”

**Reporting Losses to the Police and/or the Office of Risk Management**

University property includes all items acquired through a State purchase order, by contract, a care-custody-and-control loan agreement, or as a gift. It also includes university funds and other monetary instruments. Property coverage is worldwide and reimbursement is based on the lesser of repair or replacement of covered property damaged by a covered cause of loss/peril. All property discovered to be stolen, missing, damaged, or destroyed due to theft or casualty should be reported to the University Police Department or local Police Department for investigation, the Office of Risk Management (use the Report of Loss to State-Owned Property) for insurance claims processing, and the Fixed Assets Office for inventory records updating, as soon as the damage or loss is discovered. This reporting requirement applies regardless of the dollar amount of the loss.
University Police Department Procedures: In order to initiate an investigation of stolen, missing or damaged equipment, the following information must be reported to University Police at x 3-2810 or local Police Department:

- Serial number, Mason barcode number, and cost of the missing item.
- Information on property missing from a secure area must include a description of the location itself, names of individuals with access to the area, names of individuals with keys to the secure area, and an indication of whether keys have been returned upon termination of employment and to whom they have been returned.

Office of Risk Management Procedures: The university is insured against theft of equipment, and the user department/office may receive reimbursement after the deductible (currently $1,000) has been charged to the department's fund/org. This deductible is “per occurrence,” so all stolen items must be reported at the same time. In cases where several departments experience loss or damage to property due to the same covered event, the $1,000 deductible is pro-rated among the various departments. The university's insurance policy specifies that items discovered missing during an inventory cannot be claimed as stolen for insurance reimbursement purposes. The university is also insured against casualty loss (fire, lightning, explosion, wind, hail, water damage, power failure, vandalism, etc.) subject to the same $1,000 deductible.

The Fidelity/Crime Bond Program provides coverage for employee dishonesty, loss of money, securities and property other than money and securities. Covers losses up to the limit of the policy, with no deductible. In the event theft or fraud is suspected, the University Police must be notified.

Department general duties after a loss/damage include these requirements:

1. Prevent further loss by taking reasonable steps to protect equipment/property from further loss/damage.
2. Notify University or Local Police Department.
4. Cooperate in the investigation and settlement of the claim. Department must submit proof of loss documentation and allow for inspection and appraisal of damaged property before its repair or disposal.

The following clarifications should be noted:

1. **Replacement value** means that our insurance carrier will pay whatever it costs to restore the lost/damaged item to its previous state/condition. There is no adjustment for depreciation.
2. In the event a department wants to **upgrade** a lost/damaged item, the insurance carrier will pay only what it would have cost to replace the item; the department must pay for the difference. In order to separate replacement cost and upgrade cost, departments should ask the vendor to annotate on the purchase order separate replacement cost and upgrade cost. Please note that the Commonwealth’s Risk Management Plan does not reimburse for the cost of warranty or extended warranty.
3. The university's insurance coverage also provides for payments for rental items if necessary for continued operations until the lost/damaged property can be restored.
4. The university’s insurance coverage also includes the cost of damage evaluation/assessment performed by a qualified technician.
5. The university’s property insurance policy specifically **excludes coverage** for employee dishonesty, unexplained (mysterious) disappearances, losses and shortages disclosed when taking inventories, normal wear and tear, deterioration, rust, corrosion, faulty design, material, workmanship, and latent defect.

The following documentation is required by the insurance carrier in order to settle a claim:

1. It must be established that the property was lost/damaged due to an accident or unexpected event, such as fire, theft, water, lightning, or vandalism.
2. Proof that the lost/damaged item was in the department’s possession at the time of the loss/damage.

April 2023
3. The lost/damaged item has been replaced or repaired. (See the “Property Insurance Loss/Damage Claim Checklist” for specific details that the Office of Risk Management must consider when reviewing and processing property claims.)

Physical Inventory

Physical inventory is performed once a year. The Equipment Liaison will be provided a handheld scanner and is responsible for scanning equipment in coordination with the Fixed Assets Office. Equipment inventory training is provided via MasonLEAPS and can be found here (See the “MasonLEAPS Equipment Inventory Training” button under Equipment Quick Links). Equipment liaisons are encouraged to review this series as needed and to reach out to the Fixed Assets office with any additional questions.

Physical Inventory Checklist

The Equipment Liaison may use this checklist to help conduct physical inventory and follow up on a yearly basis. Additional physical inventory resources may be found on the Equipment Inventory webpage.

Before the Inventory

☐ Review your inventory list. Complete a Request for Tagging of New Equipment for items that are not currently included on your inventory list.
☐ Identify assets that are no longer needed and initiate a Surplus Workflow Request(s).
☐ An updated report may be requested from Fixed Assets once these items have been completed.
☐ Review report for missing information (serial numbers, manufacturers, models, etc.) and make notes to obtain information during scanning.
☐ Determine a starting point for the area and office in a logical direction; ensure that you have access to every location with equipment, including offices, lockable private rooms, docking stations, storage rooms, labs, and classrooms. Equipment for home use should be brought in and scanned.
☐ Review the instructions for using the handheld scanner and contact Fixed Assets if you have questions.
☐ Inform your department of the physical inventory date(s) and estimated time you will be visiting each area for scanning. This will help ensure cooperation and minimize disruptions.

During the Inventory

☐ Print the initial inventory list, provided by Fixed Assets, and carry it with you during the physical inventory process.
☐ Scan all visible barcodes and verify serial numbers. Check the scanner to ensure that the number of items has increased after each scan. You may also mark the items on the initial inventory list to help keep track.
☐ Identify barcodes that are unscannable, if equipment is missing a tag or an incorrect serial number is recorded and make a note on the inventory list. Contact Fixed Assets for a new barcode label.
☐ Make a note of any item discrepancies, such as location that needs to be corrected or changed in the inventory system.
☐ Items that cannot be found should be noted on the inventory list.

After the Inventory

☐ Return the scanner and inform Fixed Assets of the items that were unable to be scanned and any missing information that was discovered.
After the initial scanning, Fixed Assets will send an updated list to you. Compare the updated list to your original list and report any mismatched items. Ensure all the changes are included on the updated list.

Locate missing items through a search of department locations and review of equipment paperwork including transfer forms and surplus documentation.

Schedule a date with Fixed Assets to verify remaining items and report any items that are still unfound.

An inventory is considered complete when:

- All equipment listed on the inventory report has been scanned;
- Any equipment that was not located has been appropriately documented;
- New purchases are updated in the university inventory records.

Equipment Not Found

The university is required to investigate every report of missing or stolen assets. When a department is unable to locate any item, the following procedures should be applied:

1. Obtain the details of the missing item from the inventory records. This includes the description of the item, model number, serial number and the last recorded location of the item.
2. Physically check the last recorded location and adjacent areas.
3. Check with all individuals who have access to the area where the missing item(s) was last located.
4. Review all equipment paperwork such as Surplus Property documentation, transfers and loan forms.
5. If at any time during the investigation, it is suspected that a theft may have occurred, the Equipment Liaison must report the incident to the University Police Department for investigation and further action.
6. When sponsored owned property is discovered missing, the department should also notify the Office of Sponsored Programs. OSP will then contact the appropriate sponsoring agency for disposition instructions.
7. If the missing item is located, the Equipment Liaison must notify Fixed Assets and the proper location will be recorded in the inventory records (TraQ).

Equipment will be removed from the university inventory records if a department is unable to locate the equipment after applying a good faith effort during the annual physical inventory. Fixed Assets will inactivate the missing equipment in the TraQ database, code it as disposed with a disposal code of X- Not Found During Inventory and, if a capitalized item, treat it as a deletion for financial statement purposes. The missing equipment will no longer be reported on the inventory list distributed to the department. If the equipment is found within the current fiscal year, Fixed Assets will re-activate the item in the TraQ database. The item status of any equipment scanned during the annual inventory that has been disposed in the database in a previous fiscal year will be updated to “ActiveD,” noting that it was previously disposed but remains on campus.

Departments shall absorb the book value amount of the lost equipment and may receive a monetary penalty for the loss of equipment. The original cost minus depreciation will be used to determine book value as of June 30 and may be deducted from the department budget the following fiscal year.

Example: A server was purchased one year ago at a cost of $10,000. The life expectancy for servers is five years. After one year, the asset is 20% depreciated (-$2,000). The original cost $10,000 – (minus) depreciated value $2,000 = book value of $8,000. The department budget will be reduced by $8,000 for the following fiscal year.

Equipment Trust Fund (ETF)

Equipment acquired by the university is generally purchased out of funds allocated by the State. To supplement this process, in 1986 the State created a new source of funding consisting of bonds, the proceeds of which are allocated
to various universities to purchase equipment. Because of the special status of this equipment, the related rules and procedures are different from those for other equipment.

Equipment acquired through the State allocated Equipment Trust Fund (ETF) must follow specific rules for replacement when not found during the annual inventory process or determined to be stolen.

1. All ETF equipment is recorded in the central inventory records. ETF equipment must have a cost of $1,000 or more. (Exception: Computers and printers can have a cost of $500 or more.)
2. Lost or stolen ETF items with a book value must be replaced within 90 days of the date they were discovered missing. When replacing ETF items, identify on the requisition that this is to replace missing ETF, and write the barcode number of the missing item on the requisition form.
3. Replacement cost will be charged to the department in custody of the item.
4. The replacement item must be a like item (e.g., computer for computer).

Example: Equipment purchased with ETF funds one year ago was discovered stolen. The equipment had an original cost of $1,200 and a three-year life. Annual depreciation is $400. The book value of the equipment at the time of theft is $800 ($1,200 original cost less $400 depreciation). Because the equipment still has book value remaining, the item must be replaced with a like item, costing at least as much as the book value ($800). The replacement cost will be incurred by the department that had custody of the item at the time of theft.

Furniture and Other Equipment

Furniture and other equipment valued below the capitalization threshold of $5,000 is not barcoded or entered into the equipment database and is therefore not subject to the inventory procedures. Nevertheless, these items are State property and cannot be sold or donated without prior approval from the State.

Disposing of unwanted furniture and other equipment: Fill out the Surplus Workflow to report unwanted furniture. Items will be picked up and those in good condition will be redistributed to other departments/offices.

Acquiring used furniture and equipment: Surplus Property maintains a list of surplus furniture and equipment. Requests to acquire items will be honored in the order in which they are received.

Contacts & Resources

<table>
<thead>
<tr>
<th>Equipment Procedures</th>
<th><a href="https://fiscal.gmu.edu/equipment/">https://fiscal.gmu.edu/equipment/</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment Forms</td>
<td><a href="https://fiscal.gmu.edu/forms-and-instructions/">https://fiscal.gmu.edu/forms-and-instructions/</a></td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>Email: <a href="mailto:assets@gmu.edu">assets@gmu.edu</a>, Phone: 3-4456</td>
</tr>
<tr>
<td>Office of Risk Management</td>
<td>Email: <a href="mailto:risk@gmu.edu">risk@gmu.edu</a>, Phone: 3-2599 <a href="https://risk.gmu.edu/property/">https://risk.gmu.edu/property/</a></td>
</tr>
<tr>
<td>University Police Department</td>
<td>Phone: 3-2810 <a href="https://police.gmu.edu/">https://police.gmu.edu/</a></td>
</tr>
</tbody>
</table>
Appendix A – University Policy 2104
Inventory Control of Office and Educational Equipment and Furniture

I. SCOPE
The policies and procedures herein apply to all George Mason University employees, departments, offices and organizations who are entrusted with university-controlled equipment, regardless of the source of funding or location of equipment. The day-to-day stewardship, year-round maintenance of the university’s equipment database, and periodic inventory process are outlined in this policy.

II. POLICY STATEMENT
As an agency of the Commonwealth of Virginia, George Mason University (Mason) has an inherent obligation to exercise appropriate stewardship and accountability for all equipment in its possession. This policy applies to all acquired equipment (purchased, leased, fabricated, borrowed, donated, etc.) regardless of the source of funding (educational and general funds, sponsored program funds, George Mason University Foundation, Equipment Trust Fund, etc.).

III. RESPONSIBILITIES
A. Deans, Directors, Vice Presidents and Departmental Managers are responsible for:
   1. Following proper procedures for the procurement, transfer and disposal of all equipment within their area of responsibility.
   2. Safeguarding and controlling all equipment in their area of responsibility, maintaining internal policies and procedures as deemed necessary to supplement this policy.
   3. Assigning departmental equipment liaisons/custodians, ensuring they possess the necessary skills and obtain appropriate training required to perform their duties.
   4. Ensuring a proper physical inventory, in accordance with university procedures, is performed on an annual basis.
   5. Taking reasonable steps to protect equipment/property from damage, reporting the loss/damage promptly to Police and the Office of Risk Management, and cooperating in the investigation and settlement of the claim by providing proof of loss documentation and allowing for inspection and appraisal of damaged items prior to repair or replacement (general duties after a loss/damage).

B. Equipment Liaisons are responsible for:
   1. Managing the unit’s equipment and acting as the point of contact for Fixed Assets, University Police and Risk Management offices.
   2. Conducting a periodic inventory of the unit’s equipment.
   3. Promptly reporting status changes and discrepancies (acquisition, transfer between departments, disposition, cannibalization, destruction, loss, theft, etc.) of centrally recorded (i.e., barcoded) equipment to the responsible office(s) as soon as possible (within 30 days of activity).

C. Fixed Assets is responsible for ensuring that central equipment records are properly maintained, assisting the Equipment Liaison(s) with periodic inventories, and providing training to department staff.

D. University Police or Local Police Authority is responsible for investigating possible theft, mysterious disappearance, damage, etc. of university equipment.

E. The Office of Risk Management is responsible for investigating and processing insurance claims for lost, stolen, missing, damaged, or destroyed university equipment due to an accident or unexpected event such as fire, lightning, power failure, explosion, wind, hail, water, theft or vandalism. The university’s insurance policy is subject to a “per occurrence” deductible and excludes coverage for employee dishonesty, unexplained (mysterious) disappearances, losses and shortages disclosed when taking inventories, normal wear and tear, deterioration, rust, corrosion, faulty design, material, workmanship and latent defect.

IV. EFFECTIVE DATE AND APPROVAL
The policies herein are effective July 1, 1999. This Administrative Policy shall be reviewed and revised, if necessary, annually to become effective at the beginning of the university’s fiscal year, unless otherwise noted.