

### **45-2 System Property Management**

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1. **Purpose.** The purpose of these policies and procedures is to facilitate the management, protection and accurate inventory of the physical property of Eastern New Mexico University System (the System).
2. **Policy.** These policies established in furtherance of the above purpose are as follows:
  - A. ENMU System property shall be used only for the campus's mission and the business for the System.
  - B. Campuses of the ENMU System shall maintain a uniform property management and control system, and shall have written procedures to implement that system.
  - C. No System property shall be removed from campus except in compliance with this policy.
  - D. Appropriate administrative officials shall be held administratively responsible for control, inventory and use of System property.
  - E. In the performance of specified job duties or assignments, employees or students may have a need to use System property off campus. The employee or student shall return the property to the proper location once the job duty or assignment is completed.
  - F. A System employee or student using property off campus assumes the care, custody and control of such property, and requires notification to the campus supervisors of Inventory Control (the SIC) and the area supervisor if any damage or property loss occurs. Employees or students shall be held financially responsible if loss of or damage to the property is attributable to negligence. (See Section 11.)
  - G. Theft of System property or misuse of System property in violation of this policy and subsequent procedures may result in criminal charges, civil penalties and disciplinary action up to and including termination of employment, suspension or expulsion from the System.
  - H. System property shall not be disposed of in any manner except that prescribed in NMSA 1978, §§ 13-6-1 to -8 (1953 as amended through 2013).

### **Procedures**

3. **System Administration.** These policies and procedures shall be administered by the controller (Portales and Ruidoso controller, Roswell controller), with oversight by the ENMU System chief financial officer (CFO).
  - A. The campus SIC has the responsibility and authority to monitor the location and status of System property and to maintain inventory control records. Such responsibility and authority include, but are not limited to, the following specific activities:

- (1) Affixing property tags and/or federal grant tags to all System property;
  - (2) Providing reports and other information from inventory records;
  - (3) Maintaining and generating financial records on System property;
  - (4) Maintaining, as part of inventory records, records of the location of all capitalized (i.e. items costing \$5,000 or more) System property. IT maintains inventory records and location of sensitive items. (computers, iPad, laptops, etc.) Location of r-tagged or e-tagged (ENMU- Roswell).
  - (5) Within accepted practice, coordinating physical inventories as needed, and preparing an annual report of physical inventory for certification by the Board of Regents on or before 30 September, in compliance with 2.20.1.16 NMAC, 12/31/2019; and
  - (6) Cooperating with the purchasing officer to provide valuations necessary to maintain insurance coverage on System property.
- B. The Department of Public Safety or its closest departmental equivalent at branch community colleges shall investigate incidents of loss, damage or theft of System property, and shall file written reports in appropriate records management systems. Any reports of loss, damage, or theft shall be forwarded to the campus SIC and controller after a case disposition has been reached to assure appropriate notifications are made by administration and additional processing takes place.
- 4. Property Defined.** As used in these policies and procedures, System property refers to all real estate and tangible personal property owned, leased, borrowed or otherwise legally or equitably in the possession or control of the System.
- A. **Tangible personal property** means tangible property, other than real estate, having a physical existence including but not limited to supplies, equipment, materials and printed materials. [See NMSA 1978, § 13-1-93.]
- B. **Real estate** generally means land and structures permanently affixed to land. [See NMSA 1978, § 47-1-1 for a statutory definition.]
- 5. Title.** Title to all property rests with the System rather than with any department, person or administrative unit of the System. Thus, property cannot be disposed of by any department, person or administrative unit, or transferred to another department, person or administrative unit except in compliance with these procedures. The campus SIC must be notified of all property transfers and requests for disposal. All property under the care and control of the System is owned by the state of New Mexico.
- 6. Departmental Responsibility.** Each administrative unit within the System is responsible for the management and control of all property it purchases or is assigned and/or that is otherwise under its control. Such responsibility includes but is not limited to the following:
- A. Compliance with System purchasing procedures and policies;
  - B. Use of restricted or government excess property;

- C. Cooperation with the campus SIC by allowing access for affixing identity tags to property;
  - D. Proper use, maintenance and security of the property in compliance with sections 8, 9 and 10 below;
  - E. Maintaining sufficient internal records to enable the System to report shortages, loss or theft of property;
  - F. Assisting in the yearly System physical inventory conducted pursuant to NMSA 1978, § 12-6-10 and
  - G. The transfer of System property from one department to another, requires the current responsible department to complete an Inventory Transfer form and obtain the proper approvals and submit the signed form to the SIC.
  - H. Disposing of property according to System policies and state laws in compliance with section 14 below. See NMSA 1978, §§ 13-6-1 to -8 (1953 as amended through 2013)
7. **Reporting Acquisition.** Regardless of the manner of acquisition, all property acquired shall be reported to the campus SIC immediately in the following ways:
- A. **Purchases.** Equipment purchases, regardless of the source of funds, shall be reported to the campus SIC automatically through the System administrative software or other approved method in compliance with System purchasing procedures.
  - B. **Gifts.** Records of gifts to the System shall be made by the appropriate development office of the campus and copies of such records forwarded to the campus SIC.
  - C. **Loaned Property.** Records of the loan of property (such as artwork) to the System or a campus of the ENMU System shall be made by the administrative unit or department receiving the loaned property, and copies of such records shall be forwarded to the University purchasing officer.
  - D. **Leases.** Leases, regardless of funds, shall be reported to the campus SIC and controller as required by GASB 87.
8. **Use and Location.** System property shall be used:
- A. For the purpose originally intended;
  - B. By the administrative unit or department that originally procured it, unless transferred in compliance with these procedures or meant for multiple users;
  - C. In the location first designated by such administrative unit or department (with the understanding that certain types of property are meant to be mobile) and
  - D. The Office of Sponsored Projects or equivalent at the branch community colleges must approve the terms of any contract or grant associated with property acquisition. If a change in terms occurs, the administrative unit or department shall complete a Property Transfer form and send this notification to the campus SIC and the appropriate oversight office for the contract or grant.

**9. Maintenance.** The standard of care and maintenance of property shall ensure the longest useful existence possible for the property under the circumstances of its intended use. All property shall be maintained according to manufacturer's recommendations and/or according to other accepted practices. When possible, schedules for lubrication, cleaning, calibration, painting inspections, and etc. shall be followed.

**10. Security.** Each college, department and/or other administrative unit shall:

- A. Maintain current records of the location of each item of property so that any item can be located for inspection or inventory control purposes within a reasonable length of time;
- B. Protect property from damage or loss as it is moved from one (1) location to another and
- C. Make necessary and reasonable provisions for the physical security of any System property in its custody.

**11. Taking Property Off Campus.** No item of System property shall be removed from a System campus except for instructional or official System business and presentations unless approved by the area's vice president or a president and only in compliance with this section.

A. **Removal Requirements.** No property shall be removed from campus except upon completion of an Equipment Checkout form. Such forms shall be provided by the campus SIC and shall require the following:

- (1) Identity of the employee(s) or student(s) who will use the property off campus;
- (2) Detailed description of off-campus location of the property;
- (3) Justification for taking the property off campus;
- (4) Complete description of the property, including inventory and serial numbers;
- (5) Description of the condition of the property on the check-out date;
- (6) Name, address and telephone numbers (work and home) of the employee(s) or student(s) who will use the property off campus;
- (7) Exact location of the property and
- (8) Approval by signature of the employee's supervisor or student's instructor.

Each administrative unit shall keep completed Equipment Checkout forms in a file, and shall send a copy of each form to the campus SIC.

B. **Exceptions.** The following types of property are governed by separate System procedures and are exempt from guidelines in this section:

- (1) Motorized vehicles and
- (2) System library materials, laptops and electronics checked out via procedures set by the System campus.

- C. **Return Procedure.** The Equipment Checkout form shall contain a portion to be completed when the property is returned to campus. That portion of the form must be completed and signed by the appropriate supervisor/instructor.
- D. **Reporting Lost, Damaged, Stolen Property.** System property lost, damaged or stolen while off campus shall be reported to the appropriate law enforcement agency who has jurisdiction over the matter. In the event that such occurrence takes place on property owned, operated or controlled by the ENMU System the Department of Public Safety or its nearest departmental equivalent on branch community colleges first, then to the campus SIC, then to the Purchasing Office during the next business day after discovery of the loss, damage or theft. If theft or vandalism is apparent or suspected, a report should be made to an appropriate law enforcement agency at the earliest opportunity.
- E. **Responsibility for Lost or Damaged Property.** If System property is lost or damaged (beyond ordinary wear and tear) while off campus, the following remedies shall be available to the System:
  - (1) The System shall do everything necessary to file an insurance claim.
  - (2) The employee or student who checked out the property shall bear financial responsibility for the property unless the loss or damage was not due to the gross negligence or willful act of the employee or student.
  - (3) Any remaining loss shall be covered out of the budget of the administrative unit or department responsible for the property the employee or student check out.
- F. **Determination of Responsibility.** The controller shall make the initial determination of any budgetary and personal responsibilities for loss, theft or damage to property, and that determination shall be delivered in writing to the responsible administrative unit, department and/or employee or student. If there is disagreement about the responsibility, the manner or amount of payment, the administrative unit, department and/or the employee or student may appeal in writing to the CFO. The decision of the CFO shall be submitted to the appropriate administrative unit, department and/or employee or student in writing within ninety (90) days of the appeal, and shall be final.
- G. System property shall not be checked out for personal or any private event use.

**12. Property of Individuals.** Individuals bringing their own property to the campus must assume responsibility for loss, theft or damage to that property. The System will not assume liability for such incidents. Such property should be marked, tagged or otherwise identified by the individual so the System will not tag and number it as System property.

**13. Physical Inventories.** NMSA 1978, § 12-6-10 requires the System to make a physical inventory of its property each year. The SIC and controller shall provide uniform written inventory procedures and guidelines for use by administrative units and/or departments in conducting physical inventories. The SIC inventory procedures and guidelines shall be in compliance with good accounting and management practices and shall include the following:

- A. Physical inventories for administrative units and/or departments shall be performed each year during the period beginning February 1 and ending May 1. Physical inventories are the responsibility of the administrative unit. The SIC will conduct random inventory

verification year-round. IT maintains inventory records and location of sensitive items costing \$4999.99 or less.

- B. The cost of performing the physical inventory of each administrative unit shall be a part of the budget of that administrative unit; however, the SIC shall provide some training and technical assistance at no cost to the administrative unit.
- C. A list of administrative units and/or department failing to take proper physical inventories shall be provided by the controller to the CFO and a president each year.

**14. Disposition of Property.** Under no circumstances may System property be thrown away or given away. Disposition of any property must be made in compliance with NMSA 1978, §§ 13-6-1 to -8 (1953 as amended through 2013). The following procedures must be used for the disposition of System property.

A. **Disposition Approval.** In all instances of disposition, the campus must:

- (1) Obtain approval from the area administrator via a transfer notification to inventory surplus;
- (2) The SIC shall submit a memo of Inventory Disposition to obtain approval from the Property Disposition Oversight Committee;
- (3) Obtain approval of the Board of Regents, if the resale value of one (1) item is estimated to be more than \$5,000, otherwise the item falls under the Board of Regent's blanket approval;
- (4) Send a request of disposition for capitalized items and the Board of Regents' approval to the office of the state auditor for approval thirty (30) days prior to disposition and,
- (5) Send a request of disposition for capitalized items and the Board of Regents' approval to the Higher Education Department for approval thirty (30) days prior to disposition.
- (6) System records fall under the Retention and Disposition of Public Records (NMSA 1978 1.21.2 [2015]). The System follows policy 65-3, Archives and Records.

B. **Types of Dispositions.** The SIC is responsible for administering the disposition process. Additional procedures for the various types of property dispositions are as follows:

- (1) **Statutory Donation or Negotiated Sale.** System property may be disposed of by donation or negotiated sale to other State agencies, local public bodies, municipalities, school districts or educational institutions of the state of New Mexico.
- (2) **Sealed Bid.** Sealed bidding may be used as a means of disposition of property when a trade-in has not been possible or advantageous (see section 15 below); where donation or sale to other state agencies or institutions have not been viable options; where sealed bidding is deemed to be the disposition method most financially advantageous to the System or where safety or other special circumstances indicate sealed bidding as a method of disposition.
- (3) **Open Auction.** Obsolete, irreparable or surplus items may be sold at public auction under the following conditions:

- a. Items placed in the auction must remain available for departmental review and retrieval 5 working days prior to the auction (computers and audio-visual equipment may not be retrieved);
- b. Removal of items from the auction must be approved by the CFO;
- c. Proceeds from the auction shall be placed in the respective campus General Fund.

**15. Trade-ins/Exchanges.** Trading property in or exchanging it for value on an item of property to be purchased is not considered a “disposition,” but requires the following procedures:

- A. Written approval of the appropriate administrator attached to the requisition;
- B. The serial number and inventory number of the trade-in listed on the requisition;
- C. The dollar amount of the value of the trade-in listed on the requisition;
- D. Written Purchasing Office approval is required to ensure that appropriate statutory procedures NMSA 1978 § 13-1-156 are followed and
- E. Appropriate administrative assurances that there are no grant or contract restrictions on a trade-in of the property.
- F. Administrative units who fail to list a trade-in correctly on a requisition are in violation of the System’s property management policy and state statute.

**16. Museums, Libraries, Art, Literature, Special Collections.** It is understood that museum pieces, library collections, art objects, literature and other special collections are, in many ways, treated differently than other property, but the special nature of such property in no way exempts it from these policies and procedures. Administrative units acquiring such property are obligated to comply with the New Mexico Abandoned Cultural Properties Act, NMSA 1978, § 18-10-1 through 18-10-5 (1989), where applicable.

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