



OFFICE OF THE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER


THE UNIVERSITY OF TEXAS AT AUSTIN

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TO: Deans, Directors, Departmental Chairs, Project Directors
and Other Administrative Officials

FROM: Kevin P. Hegarty 

SUBJECT: Inventory Control Procedures and Penalties

The 77th Legislature passed a rider in the General Appropriations Act which imposed a penalty on state agencies for excessive lost or stolen property. In addition, inventory control and management polices of the United States Government require departments with federal or privately owned inventory items to complete a *Certification of Federal or Privately Owned Equipment*.

In January 2002, President Faulkner assigned the responsibility for property control to department heads. Department heads are required to appoint "Inventory Custodians" to assist with annual equipment inventory; however, the ultimate responsibility cannot be delegated. Inventory Custodians are required to attend training to ensure reports and certifications are properly completed. Each departmental inventory custodian must register for this training at the following Web site: <http://dpweb1.dp.utexas.edu/txclass/>

All University departments with lost or stolen property in excess of 2% of their total inventory will be charged 50% of the lost or missing inventory. The penalty will be reported to the University Budget Office and departmental funding will be reduced in the following year. If a department locates the item (s) that bring the total below the 2% thresholds, the funds will be restored.

The Annual Physical Inventory and Certifications of Federal and Privately Owned Equipment will be due two months after the departments receives notification from the Office of the Controller to complete the annual report. A department will not be granted an extension to complete the inventory.

Additional information is available by referencing the *Property Accounting and Responsibility Guidelines* at the following Web site: <http://www.utexas.edu/administration/>

If you have questions, please contact the Inventory Section via e-mail at oa.inventory@austin.utexas.edu or 471-3838. You may also contact the Controller, Brian Gutierrez at bgut@mail.utexas.edu or 471-4503.

KPH:bgg

c: Dr. Larry R. Faulkner