1. PURPOSE

1.1   This PS states the policy and procedures relating to the cannibalization of capital property and the proper transfer/storage/salvage of capital controlled and non-capital property of the University of Houston-Downtown (UHD).

2. DEFINITIONS

2.1   Cannibalization: The process of taking working parts from one piece of capital property and installing it into another piece of property thereby rendering item as salvage.

2.2   Capital Property: Any property costing at least $5,000.00 and having a useful life of at least one year.

2.3   Controlled Items: State designated property that must be secured and tracked due to the high-risk nature of the item. The property is valued between $500 and $4,999 and has a useful life of at least one year. The specific assets include: desktop and laptop computers, all firearms regardless of amount, stereo systems, cameras, video cameras, video recorder/laserdisc players, camcorders, television/VCR combinations, television sets, video cassette recorders, and data projectors.

2.4   Non-Capital Property: Items which do not meet the dollar value specifications of capital property but do have a useful life of one year or more.

2.5   Salvaged Items: Property that is well beyond the condition of its intended usage.

2.6   Storage: Property items that are of no use to the department. Once placed in storage, the items become part of the Property Management inventory and subject to auction or transfer to another department. This is not a temporary storage place for departments to place their property.

2.7   Surplus Items: Any University property that no longer fulfills the purpose for which it was acquired.

3. POLICY

3.1. Cannibalization of property

3.1.1. Individual departments are not authorized to cannibalize UHD capital property. Only Information Technology (IT) may cannibalize computer property, and only Facilities Management (Facilities) may cannibalize some items of capital property. Cannibalization will be used as a last resort to make an item operational.

3.1.2. Upon receipt of the UHD Cannibalization form, Property Management will change the property classification of the item 'J' for unserviceable/junk/ cannibalize/salvage and enter in the comment that the item has been cannibalized. Property Management will also note if the item is expected to be returned to working condition and when (based on the information provided). If an item that had been cannibalized is put back in working order, the receiving Department must notify Property Management by forwarding the UHD Cannibalization form.

3.2. Transfer of property items to storage/surplus

3.2.1. Property that is not computer or computer related.

3.2.1.A. Property that is determined to be unusable or unwanted within a department should request the property to be removed by Facilities by submitting a Work Request.

3.2.1.B. Facilities will review the work request checking that proper authorization was given. Items are picked up from the departments by Facilities and taken to the storage area.

3.2.1.C. Facilities will put the capital and controlled property in a designated section in the storage area, and the non-capital items will be stored in other areas.

i. The Property Manager is to occasionally report to the storage warehouse to conduct an inventory of all capital items in the warehouse.

3.2.1.D. Items in storage no longer belong to a particular department. Items sent to storage are available to all departments. Capital property is then designated as surplus to the University.

3.2.1.E. Once the items are removed from the campus, they are then removed from the inventory and designated as "Disposed" on the Property Management System. The organization receiving the donated assets will also be recorded.

3.2.2. Property that is a computer or a computer-related item.

3.2.2.A. A department should request that computer property determined to be unusable or unwanted be removed by calling the Help Desk at x3000.

3.2.2.B. IT picks up the items and stores them in the IT storage areas. Items are marked as belonging to IT.

3.2.2.C. Property Management will list items no longer needed by IT as surplus. The items may remain in the IT storage room but should be separated from other property and marked "surplus."

3.2.2.D. Computers that are in acceptable condition, that are not of any possible use to the University, are made available to the following in order of priority as per government code Sec.2175.304 section (c):

    i. Local school districts

    ii. Assistance organizations

    iii. UHD students

    iv. Computer recycling company on contract

3.2.2.E. If items are accepted by another Texas agency, it is the responsibility of the accepting agency to pick up the items from the UHD campus. When the accepting agency comes to pick up items, UHD property tags are removed from items. All hard drives will be completely cleared of software.

3.2.2.F. Once the items are removed from the campus, they are then removed from the inventory and designated as "Disposed" items on the Property Management System. The organization receiving the donated assets will also be recorded.

3.2.2.G. Guidelines for local school districts, assistance organizations, or computer recycling company.

    i. Computers that are to be sent to the above referenced institutions are to be itemized by serial number and description. Each piece will be listed individually and re-examined for positive removal of all tags and UHD logos and to ensure that all hard drives have been cleared.

    ii. The local school district or assistance organization will be contacted and provided a list of all property to be donated. They will pick up the property after it has been palletized and shrink-wrapped.

    iii. A computer recycling company will be contacted to pick up the property after it has been palletized and shrink-wrapped. They will later provide a detailed inventory of the equipment received and recycled.

    iv. Property donated or sold will be coded to the following property classification codes and a reference entered for the organization:

        a. Local school district code "08"

        b. Assistance organization code "09"

        c. Computer recycling company code "03"

3.2.2.H. Guidelines for computers sold to UHD students only.

    i. Computers for this program will be surplus computers in good working condition and selected by IT. They will be reported to Property Management by tag and serial number.

    ii. UHD tags must be removed and hard drives cleaned.

    iii. IT will have written procedures for this program covering everything from the selection of computers to the deposit of funds into scholarship cost centers.

    iv. Computers sold by IT will be classified with property code "14."

3.3. Transfer of property items to salvage

    3.3.1. Property that is not a computer or a computer-related item.

3.3.1.A. Items that are well beyond the condition of proper usage may be sent to salvage with proper authorization. The department requesting the move must submit a [Work Request](#) to Facilities.

3.3.1.B. Salvaged items are then taken down to the first floor and put in the designated area set aside by Facilities. All salvaged property must be identified as salvaged items so that Facilities will place these items in the proper area in the warehouse.

3.3.1.C. Once the items are taken to salvage, Facilities will send a copy of the completed email to Property Management. Included must be the name of the person (printed) who moved the items, date of removal, and signature of person who moved the items.

3.3.1.D. Property Management will mark the items as "Salvage" on the Property Management System. Salvaged items will be available for transfer to other agencies or sold at public auctions.

3.3.1.E. Once the items are sold or transferred, they are then removed from the inventory and designated as "Disposed" on the Property Management System. The organization receiving the donated assets will also be recorded.

3.3.2. Property that is a computer or computer related.

3.3.2.A. All problems with computers or computer-related property are to be reported to IT.

3.3.2.B. IT then examines the item to determine if it can be repaired. If this is not possible, the item may be cannibalized.

3.3.2.C. Those items that are no longer capable of being used properly are then classified as salvaged items. IT will erase any memory or software existing on the computer.

3.3.2.D. Once the items are taken to salvage, IT will send a copy of the completed Capital Property Transfer/Move Request form to Property Management. Included must be the name of the person (printed) who moved the items, date of removal, and signature of person who moved the items.

3.3.2.E. Salvage computer-related property is offered to the Texas Department of Criminal Justice (TDCJ). If refused, it becomes available for public auction as scrap. Salvage computer-related property can also be sold to a computer recycling company.

3.3.2.F. When items are picked up by TDCJ or sold to a computer recycling company, they are dropped from the inventory.

3.3.2.G. Guidelines for TDCJ or a computer recycling company:

    i. Computers that are to be sent to TDCJ or a computer recycling company are to be itemized by serial number and description. Each piece individually will be listed and be re-examined for positive removal of all tags and UHD logos and to ensure that all hard drives have been cleared.

    ii. TDCJ or the computer recycling company will be contacted and provided a list of all property to be transferred.

    iii. If acceptable, TDCJ or the computer recycling company will pick up the property after it has been palletized and shrink-wrapped.

    iv. Property transferred will be coded to the following property classification codes and a reference entered if a computer recycling company is used:

        a. TDCJ code "15"

        b. Computer recycling company code "03"

4. PROCEDURES

4.1. Disposal of property should be done by submitting a Work Request to Facilities requesting that they pick up salvage/surplus items. Facilities will email Property Management for approval.

4.2. For computer-related items, call IT at x3000 and request they pick up the property.

4.3. Documentation for transfer of property to IT or property from IT will be brought by the IT technician who picks up the property. Signatures from the property custodian, or in their absence the alternate custodian or department head, are required. The form

is then forwarded to Property Management by IT. A copy must be kept by the Property Custodian of the disposing department.

4.4. Surplus items taken to Facilities are made available to other departments before being taken to auction. Surplus computer property can be donated to local school districts and other 501(c)3 organizations, sent to the Texas Department of Criminal Justice for rebuild, sold to a computer recycling company, or sold to UHD students.

4.5. See [Property Management Accounting](#) site for forms.

5. REVIEW PROCESS

Responsible Party (Reviewer):   Property Manager

Review Period: Every five years on or before November 1, and as necessary

Signed original on file.

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President

6. POLICY HISTORY

Issue #1: 03/31/00
Issue #2: 11/05/10
Issue #3: 09/16/14
Issue #4: 02/01/19
Issue #5: 04/10/20 – Reaffirmed as #6 06/27/24

7. REFERENCES

[Texas Government Code Chapter 2175](#)
[Property Management Forms](#)
[Cannibalization Form](#)
[Work Request](#)

8. EXHIBITS

There are no exhibits associated with this PS.