



6.3.3 Deletion of State Property

Chapter 6 - Fiscal	Original Effective Date: May 2000
Section: 6.3 Property Control	Date Last Reviewed: December 2022
Responsible Entity: Vice President and Chief Financial Officer	Date Last Revised: December 2022

I. Purpose

To outline requirements for deleting state property from a department's official inventory.

II. Scope

All property purchased with University fund regardless of source that have been tagged with an inventory number and placed on the University's official inventory records are subject to the rules and regulations of this policy.

III. Policy

The Office of Property Control assists departments in safeguarding institutional furniture and equipment (i.e., property) and providing appropriate tagging and timely accounting for such assets in accordance with State of Texas and UT Health San Antonio regulations and policies. When deleting property from a department's official inventory for one of the following reasons, it is essential that department chairs and directors work collaboratively with the Office of Property Control to ensure compliance with this policy.

A. Obsolete, Unserviceable, Worn Out or Surplus Property

1. Prior to removal of obsolete, unserviceable, worn out or surplus property, the department must coordinate with Information Technology (IT) personnel to remove data from any equipment that may contain hard disk drives, or any other property containing software or sensitive data such as patient health information (PHI) or social security numbers (SSN). Failure to remove software and sensitive data from a hard disk drive prior to turning into surplus is a violation of federal copyright laws and software license agreements, federal and state legislation or The University of Texas System directives.

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2. These rules apply to deletion of obsolete software and sensitive data and are applicable to grant accounts unless there are restrictions imposed by the donor.
 - a. Obsolete software and/or sensitive data must be deleted from the hard drive of the machine upon which it is stored;
 - b. Software and sensitive data diskettes must be destroyed; and
 - c. Accompanying documentation must be destroyed.
 3. Once the property has been appropriately prepared for disposal, the department chair, director or administrator must submit the following forms to the Property Control office:
 - a. [Capitalized Software Deletion Request](#)
 - b. [Property Deletion Request](#)
 4. Upon approval from the property manager, warehouse personnel will pick up the items and hold them in the warehouse. The items will be transferred from the department's inventory to the surplus furniture and property pool's inventory until the property is transferred to another department or otherwise disposed of as follows:
 - a. Data processing property (computers and computer peripherals) that is not transferred to another department will be transferred to the Texas Department of Criminal Justice.
 - b. Property not disposed of in accordance with the above will be sold at auction.
 5. An approved copy of the [Property Deletion Request form](#) will be returned to the department, thereby releasing the department from further responsibility. The approved request will become part of the official deletion records in the Property Control Office.
 6. In the event revenue is realized through the final disposition of obsolete, unserviceable, or worn out property, monies will be turned over to the Bursar's Office for deposit in the "Institutional Miscellaneous Income Account".
- B. Mass Property Removal
1. In the case of multi-departmental or institution-wide property removal events, the Property Control Office will coordinate with departmental and warehouse personnel to account for any property handed off or left behind.
 2. Prior to removal, the department will collaborate with IT personnel to remove data from equipment that may contain hard disk drives, or any other property containing software or sensitive data such as patient health information (PHI) or social security numbers (SSN).

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3. These items will either be transferred to the surplus furniture and property pool inventory or auctioned off on site. The Property Control Office and warehouse personnel will sign off on behalf of the departments involved. IT personnel will sign off upon removal of data. Business Affairs will make recommendations to retire the assets to the associate vice president (AVP) of business affairs, and/or vice president and chief financial officer. Once approved, property will be removed from the department's inventory.

C. Parts Removal

1. Surplus computers transferred to the warehouse should be segregated into two groups:
 - a. those that appear to be workable, and
 - b. those that are unworkable, stripped or cannibalized.
2. Only unworkable computers are available for parts. Departments cannibalizing parts from unworkable computers in the warehouse must certify, in writing, that such parts are to be used for official UT Health San Antonio business only.

D. Property Lost, Stolen, or Unusable Due to Damage or Destruction

1. All deletion requests for property lost, stolen, or unusable due to damage or destruction must have the written approval of the vice president and chief financial officer. In each case, the department must conduct a thorough investigation to determine if the custodian should be held liable.
2. The University Police (UTPD) must be notified for all lost or stolen property that is on the department's inventory regardless of value. The UTPD will work with the department to complete a *Stolen Property Report*. UTPD will forward a final copy of the *Stolen Property Report* to the property manager and at that time the request for deletion will be processed. In the event of loss by theft, the UTPD should be contacted so that an investigation can be started immediately.
3. For all unusable property resulting from damage or destruction, the department must notify Property Control and request a copy of the *Request to Delete Property Which is Lost, Stolen or Unusable Due to Damage or Destruction*. After approval from the vice president and chief financial officer, Property Control will notify the Warehouse that the property may be picked-up. The property will be removed from the department's inventory.

E. Missing Property

The department is responsible for conducting a diligent search for missing property until it is found or until it is established that the property is lost. After property is reported missing for three (3) consecutive years, Property Control

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will complete a *Missing Property form* and send it to the department chair or director for signature.

F. Transferred Property

For transfers of property to another department within UT Health San Antonio, refer to the Institutional Handbook of Operating Policies (IHOP) policy [6.3.2 Acquisitions of State Property](#).

G. Trade-In Property

Departments trading-in property must notify Property Control of the trade-in. Documentation of the trade-in (e.g., PO, letter from vendor, etc.) must accompany the notification.

H. Cannibalization of Property

1. Departments must notify Property Control prior to the cannibalization of any property. The department chair, director, or administrator must submit an [Equipment Cannibalization Request](#) to Property Control for approval. If approved, a signed copy of the form will be returned to the department authorizing the cannibalization process. At that time, Property Control personnel will remove the inventory tag from the property.
2. After the cannibalization process is completed, all remaining scrap parts should be turned over to Materials Management Warehouse for final disposal.

I. Transfer of Property to a Non-State Agency

1. Release of property to another institution may be made pursuant to a grant award, which includes an authorization to assume title and establishes accountability for the property. The relinquishing institution shall be required to provide the receiving institution and the awarding agency with a listing of the property, dates of purchase, and acquisition cost. The receiving institution shall formally acknowledge receipt of such property and shall furnish copies of the acknowledgment to the awarding agency. The Principal Investigator (PI) should secure approval from the awarding agency if the cost of transferring the property is to be paid from grant funds.
2. In order to release the property to the receiving institution, the PI must submit a letter to the vice president and chief financial officer through the department chair requesting approval to transfer the property. A listing of the property must be submitted, with the request letter indicating the inventory number, description, year acquired, and acquisition cost.
3. If approved the vice president and chief financial officer will furnish Property Control with the approved copy of the request letter, along with a copy of the property listing. Property Control will advise the department that the release of the property has been authorized. Under no circumstances will any

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property be physically removed from the premises of the University until the above requirements have been met.

IV. Definitions

There are no defined terms used in this Policy.

V. Related References

For questions regarding this policy, contact the Property Control Office at or propcontadmi@uthscsa.edu.

[Property Control SharePoint Site](#)

VI. Review and Approval History

- A. The approving authority of this policy is the University Executive Committee.
- B. The review frequency cycle is set for three years following the last review date, a time period that is not mandated by regulatory, accreditation, or other authority.

Effective Date	Action Taken	Approved By	Date Approved
05/2000	Policy Origination		
10/2010	Policy Revision		
12/2022	Policy Review/revision	Executive Committee	12/2022