I. Procedure Statement

Periodically, Department Property Administrators (DPAs) must inventory capital equipment in their department’s custody. Property Control coordinates inventories including training and providing equipment lists. Property Control uses a two-phase approach:

- Initial search.
- Final search for unaccounted items and subsequent reconciliation.

DPAs may delegate work to other employees (including student employees) so long as the DPA supervises the work. To inventory a department’s items, employees must:

- Observe the item by direct sighting.
- Document their observation of the item. Property Control will facilitate this documentation by providing a barcode scanner and/or capital equipment list.
- If items are off-campus, employees must obtain written confirmation from the items’ responsible employee indicating that the item is still intact, is in his or her custody, and identify/confirm present location.
- If items are on loan to another institution as part of an active UW loan agreement, employees should indicate this. Loaned items are not subject to inventory.
II. Who is affected by this Procedure

This procedure applies to all UW-Madison departments. It should be understood by Department Managers, DPAs, Department Chairs, Directors, Deans, and employees responsible for equipment.

III. Procedure

The following steps represent the overall process of conducting a physical inventory and reconciliation:

1. Property Control schedules departmental inventories each fiscal year. Departmental inventories are spread over the entire year, skipping July and August due to fiscal year end.

2. Property Control will notify DPAs of upcoming inventories and propose an inventory timeline with a start and completion date. Property Control will send the notification at least one month in advance, with a copy to the divisional Chief Financial Officer.

3. If a proposed schedule or timeline is not feasible, DPAs can request to reschedule. Property Control will be as flexible as possible, recognizing the need to achieve full coverage each year.

4. Property Control will first request that the DPA conduct an initial search. At the start of the initial search, Property Control provides a capital equipment list, barcode scanner, instruction sheet, and due date.

5. During the initial search, DPAs or others supervised by the DPA, use the scanner to verify items by scanning the asset barcode tags affixed to equipment. Scanning the same asset tag twice or scanning asset tags that belong to other departments will not have any adverse effect on the results.

6. During this process, it is not uncommon to scan items that were previously identified as “lost”. Should this happen, Property Control will re-activate the asset in the asset management system and update its location. Any re-activated assets will be noted in Property Control’s final report to the Department.

7. Upon the due date, Property Control collects the barcode scanner and loads results into the asset management system to update the capital equipment inventory records.

8. If any items are not accounted for during the initial search (this outcome is expected at most departments due to volume and sharing equipment amongst researchers), Property Control will request the DPA conduct a final search for the unaccounted items. Property Control provides a printed listing of unaccounted items. The DPA has 15 days to complete the final search and return documentation to Property Control.

9. During the final search, DPAs or others supervised by the DPA should check items off the printed list as they verify them.

10. If unaccounted items are determined to have been disposed of, DPAs should attempt to determine what happened to the item, indicate this on the unaccounted item list, and attach supporting documents if available (e.g. a pick-up request form if items disposed of through SWAP).
11. If unaccounted items cannot be found and DPAs cannot determine what happened to them, DPAs should indicate the items as lost on the unaccounted item list. A concerted effort should be made to find items before simply declaring them “lost”. If items are subsequently found at any time, they should be re-activated in the system.

12. Upon completion of the final search, DPAs must sign the completed unaccounted listing and obtain the signature of the Department Chair, Director, or designee. Two signatures are required to ensure adequate segregation of duties in authorizing removal of unaccounted items that were determined to have been disposed of or lost during the final search.

13. Upon the due date, Property Control collects the completed unaccounted items listing.

14. Property Control reviews all losses to determine eligibility for removal from records as “lost”. Property Control may allow items to be removed as lost if:
   a. they do not belong to a sponsor, and
   b. they are more than three years old, based on the date of acquisition.

15. If Property Control determines that an item is ineligible to be removed from records as “lost”, Property Control will ask the department to notify the UW Police Department. Property Control will require a copy of an official police report before deactivating the item from records.

16. Property Control will enter all results into the asset management system and provide a summary of department’s inventory results to the DPA, with a copy to the Department Chair or Director and divisional Chief Financial Officer.

IV. Contact Roles and Responsibilities

<table>
<thead>
<tr>
<th>Physical Inventory</th>
<th>Dept Employees</th>
<th>DPA</th>
<th>Dept Chair/Dept Admin</th>
<th>Property Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Schedule departmental inventories each fiscal year.</td>
<td></td>
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<tr>
<td>2) Notify DPAs of upcoming inventories at least one month in advance of start date, with copy to divisional Chief Financial Officer.</td>
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<td>3) If the proposed schedule is not feasible, request to reschedule inventory.</td>
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<td>4) Provide DPA with barcode scan gun, instructions and equipment lists.</td>
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<tr>
<td>5) <strong>Initial search:</strong> Use barcode scan gun to scan asset barcode tags affixed to equipment or approved alternative location.</td>
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<td>X</td>
<td>X</td>
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<tr>
<td>6) <strong>Initial search:</strong> Reactivate inventory record for any items previously identified as “lost”.</td>
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<tr>
<td>7) <strong>Initial search:</strong> Pick up scan gun and load data into asset management system.</td>
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<td>8) <strong>Final search:</strong> Give DPA unaccounted items list (items not scanned).</td>
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</table>
9) **Final search:** Use list to check off items as they are found.
   - Dept Employees: X
   - DPA: X
   - Dept Chair/Dept Admin: X
   - Property Control: 

10) **Final search:** If item has been disposed of, indicate how disposed and attach support if available.
    - Dept Employees: X
    - DPA: X
    - Dept Chair/Dept Admin: X
    - Property Control: 

11) **Final search:** If item cannot be found and cannot determine how disposed, indicate item as lost.
    - Dept Employees: X
    - DPA: X
    - Dept Chair/Dept Admin: X
    - Property Control: 

12) **Final search:** Sign completed unaccounted item list to authorize disposals and/or loss removals/de-activations.
    - Dept Employees: X
    - DPA: X
    - Dept Chair/Dept Admin: X
    - Property Control: 

13) **Final search:** Pick up completed unaccounted item list from DPA.
    - Dept Employees: X
    - DPA: X
    - Dept Chair/Dept Admin: X
    - Property Control: 

14) Review items indicated as lost.
    - Dept Employees: X
    - DPA: X
    - Dept Chair/Dept Admin: X
    - Property Control: 

15) If item is found to be ineligible as “lost” UWPD must be contacted to complete a police report.
    - Dept Employees: X
    - DPA: X
    - Dept Chair/Dept Admin: X
    - Property Control: 

16) Enter results into asset management system and provide summary to DPA, with copy to Department Chair/Director and divisional Chief Financial Officer.
    - Dept Employees: X
    - DPA: X
    - Dept Chair/Dept Admin: X
    - Property Control: 

V. **Definitions**

- **Capital Equipment Definitions**

VI. **Related References**

VII. **Revisions**

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<tr>
<th>Procedure Number</th>
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<td>Revision Dates</td>
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