

BOARD OF TRUSTEES OF THE NEBRASKA STATE COLLEGES
ITEMS FOR DISCUSSION AND ACTION\FISCAL, FACILITIES AND AUDIT

ACTION: **First and Final Round Approval of Deletion of Board Policy 7006; Bonding; System Officers/Employees; Revisions to Board Policy 7005; Safeguards, Cash and Personal Property and Revisions to Board Policy 7014; Inventories and Disposal of Surplus Personal Property**

Board policies 7005 - Safeguarding Assets, 7006 - Bonding; System Officers/Employees, and 7014 - Inventories and Disposal of Surplus Personal Property, are all related to the safekeeping of assets. The major changes to the policies are as follows:

7005 - The name is being changed to Safeguarding Assets and the policy is being renumbered to 6016 and moved to the Business and Finance section of the Board policy manual. Definitions for tangible personal property, surplus property, and capital items have been added. The inventory requirements previously found in policy 7014 have been moved to this policy. The capital inventory and non-capital inventory requirements have been clarified. Non-capital inventory items now include all desktop, laptop, and tablet computers which must now be tracked and tagged.

7006 - Is being eliminated as the language was moved to section 1.2 of policy 7005.

7014 - The name is being change to Surplus Property and the policy is being renumbered to 6014 and moved to the Business and Finance section of the Board policy manual. Definitions for tangible personal property and surplus property are being added similar to 7005. The various ways to get rid of surplus property are identified in the policy and now include trade-in or on-line auction. The section related to inventory is now found in policy 7005.

The System Office recommends approval of the Deletion of Board Policy 7006; Revisions to Board Policy 7005 and 7014;.

ATTACHMENTS:

- Deletion of Board Policy 7006 (PDF)
- Revisions to Board Policy 7005 (PDF)
- Revisions to Board Policy 7014 (PDF)

BUSINESS MANAGEMENT, NEBRASKA STATE COLLEGES

POLICY: 7006 Bonding; System Officers/Employees Page 1 of 1

BOARD POLICY

~~The treasurer, other Board officers and employees, college employees and students who handle money on behalf of the Board and/or college(s) shall be bonded to the amount and in the manner prescribed by the State Risk Manager, state law and existing bond indentures as part of the state's corporate surety bonds.~~

~~In no instance shall the cost be assumed by an officer or employee. The premiums on the bonds shall be paid by the State of Nebraska out of funds appropriated by the Legislature, upon the order of the Risk Manager.~~

Legal Reference: RRS 11-201 Bonds; State officers and employees; Risk
RRS 11-201.01 Bonds; State officers and employees; Benefits manager; Insure to state
RRS 11-202 Bonds; State officers and employees; Premiums; Payment

Policy Adopted: 1/28/77
Policy Revised: 3/11/94

6016 Board of Trustees of the Nebraska State Colleges

Policy Category

POLICY NAME: Safeguarding Assets; ~~Cash and Personal Property~~

POLICY NUMBER: ~~7005~~6016

A. PURPOSE

To provide for the safekeeping of cash, financial assets and personal property.

B. DEFINITIONS

1. **Tangible Personal Property** – Property exclusive of land and buildings that is movable, including equipment, furnishings, vehicles, appliances, electronics, scientific or academic instruments and other physical property.
2. **Surplus Property** - Usable or unusable tangible personal property, which has been declared excess or surplus to the needs of the College or System Office.
3. **Capital Item** – Tangible personal property owned, leased, controlled or possessed that meets three criteria: 1) is not consumed in the normal course of business, 2) has a unit value of five thousand dollars (\$5,000) or more, and 3) has an economic useful life that exceeds two years.

C. POLICY

1. **Safekeeping Financial Assets**

Each College and the System Office shall develop specific safeguards to reduce the risk of theft and destruction of cash on hand and in transit as well as other financial assets, and other general items of value, including art work, and instructional and administrative equipment.

1.1 **Internal Controls**

The Colleges and System Office shall adhere to a system of internal controls that provides for the necessary oversight and separation of duties to protect financial assets, is responsive to any audit findings identifying weaknesses, and includes on-going monitoring.

1.2. **Bonded Employees**

The treasurer, other Board members and officers, and employees, college employees and students who handle money on behalf of the Board and/or

College(s) shall be bonded to the amount and in the manner prescribed by the State Risk Manager, state law and existing bond indentures as part of the state's corporate surety bonds.

In no instance shall the cost be assumed by a ~~Board member n-officer~~ or employee. The premiums on the bonds shall be paid by the State of Nebraska out of funds appropriated by the Legislature, upon the order of the Risk Manager.

2. Safeguarding Personal Property

Appropriate capital and non-capital n-inventories y of all tangible non-expendable personal property shall be maintained throughout the System. Each College and the System Office shall be responsible for maintaining required central inventory records for all tangible personal property moveable-capital equipment, performing physical inventories, reconciling physical inventories to the related records and reconciling ~~equipment~~ additions and deductions on the inventory system to the general accounting system.

2.1. Capital Inventory

Procedures should be in place to ensure that newly acquired capital items are promptly added to the inventory records and a. ~~Any item of capital equipment which has been determined to be surplus to the needs of the institution, and has been transferred, sold, traded-in or disposed of, has ceased to function, with respect to its regular operation, and which is unlikely to be used in its present form in the future, must be removed from inventory. Each institution shall develop written procedures to ensure that items removed from use are removed from inventory/cost records. that items removed from use is deleted from the inventory records. A, and that a physical inventory is to be~~ conducted annually to compare assets on hand to those listed on the inventory records. Location of equipment and other capital items should be updated as necessary to reflect the current status of the inventory; it is essential that persons taking the physical inventory be able to locate all items listed on the inventory promptly.

~~Tangible personal property owned, leased, controlled or possessed by an institution. Such property must satisfy three criteria:~~

- ~~• Is not consumed in the normal course of business;~~
- ~~• Has a unit value of five thousand dollars (\$5,000) or more; and~~
- ~~• Has an economic useful life that exceeds two years.~~

2.2. Other Non-Capital Equipment Inventories

All desktop, laptop, and tablet computers will be tracked on inventory and tagged. The colleges should define an appropriate level of control for other movable assets, including art, not included on the capital inventory and non-capital inventories. Moveable equipment that does not meet these personal property definitions is not reported for financial reporting purposes (capitalization) but each institution is responsible for developing a formal,

~~written institutional policy with respect to inventories of non-capital equipment and defining an appropriate level of control for such equipment. A higher level of control should be exercised over non-capital items that are easily converted to personal use, such as computer components, certain chemicals or pharmaceuticals.~~

2.3. Tagged Properties

All ~~capital inventory and other non-capital inventory items required to be tracked~~ ~~personal property identified as state property~~ shall be indelibly tagged, marked or stamped as belonging to the State of Nebraska. All ~~items property~~ purchased with non-state funds ~~that meet the inventory requirements~~ shall also be tagged, marked or stamped with appropriate identification and a separate inventory maintained.

2.4. Recovery of ~~Personal~~ Tangible Personal Property

If any property identified in the inventories is lost, destroyed or unaccounted for due to negligence or carelessness, proper steps shall be taken to recover such property or the reasonable value thereof from the responsible party.

2.5. Annual Submission of Personal Property Inventory

Each College ~~and the System Office~~ shall file the inventory record ~~for the capital inventory of all property including furniture and equipment,~~ as of June 30, with the DAS Materiel Administrator by August 31 of each year.

SOURCE:

Legal Reference:

~~Neb. Rev. Stat. RRS- 11-201-11-202~~ Bonds or insurance; state officers and employees

~~Neb. Rev. Stat. RRS-81-1118-0285-304~~ All Officers, Department, and Agencies; State Property; Inventory
~~Board of trustees; powers and duties, enumerated.~~

Policy Adopted: March 1994

Policy Revised: June 2010. March 2013, January 2023

Board of Trustees of the Nebraska State Colleges

Policy Category Business and Finance

POLICY NAME: ~~Inventories and Disposal of Surplus Personal Property~~
Surplus Property

POLICY NUMBER: ~~70146014~~

A. PURPOSE

To provide for the proper handling of surplus tangible personal property.

B. DEFINITIONS

1. Tangible Personal Property – Property exclusive of land and buildings that is movable, including equipment, furnishings, vehicles, appliances, electronics, scientific or academic instruments and other physical property.
2. Surplus Property - Usable or unusable tangible personal property, which has been declared excess or surplus to the needs of the College or System Office.

C. POLICY

1. Surplus Property

~~This policy shall apply to the disposal of personal property, except for personal property being disposed of as a trade-in on the purchase of other like personal property.~~

Tangible personal property that is deemed to be surplus property by a College or the System Office can be transferred, sold, traded or destroyed depending on the situation.

1.1. Authorization

~~Individuals or departments do not have the authority to dispose of any such property.~~ The transfer, sale, trade or disposal of property for any College must be approved by the President, the Vice President for Administration and Finance, or Comptroller. The transfer, sale or disposal of property for the System Office must be approved by the Chancellor or Vice Chancellor for Finance and Administration or General Counsel.

1.2. Transferred Between Departments, College or System Office

Tangible personal pProperty that is no longer needed by a department of the College shall first be made available to other departments at the

College. Surplus items will be deemed to have no value when they are transferred between departments, therefore the selling of items between departments will be prohibited. If no other College department is interested in the surplus property, the ~~items property~~ should be offered first to the other Colleges and the System Office. Any surplus property from the System Office will be first offered to the Colleges. ~~If the other Colleges or System Office are not interested, then the items may be disposed of by publically advertised auction, sale by fixed price, sale by negotiated price, sale by sealed bids, or in the case of items that no longer are operable, by destruction in accordance with the procedures described below.~~

1.3. Sale or Trade of Surplus Property

~~If the other Colleges or System Office are not interested in surplus property, then the items may be sold or traded. All items will be sold "as is" with no return and/or refund. All approvals for sale or disposal shall be signed by the President or Vice President for Administration and Finance at the Colleges or by the Chancellor or Vice Chancellor for Finance and Administration or General Counsel for the System Office on a form approved by the Chancellor. Revenues from the sale of surplus property, less standard commission/sales costs, will be deposited in the appropriate College funds, as directed by the President, Vice President for Administration and Finance, Chancellor or Vice Chancellor for Finance, as appropriate. All items will be sold "as is" with no return and/or refund.~~

- Sale by publically advertised auction - Surplus ~~items property~~ may be sold at auction if the auction is advertised in local/area newspapers ~~and~~ a minimum of fifteen (15) calendar days shall have elapsed between the time formal bids are advertised or called for and the time of their opening. All sales shall adhere to approved cash handling procedures.
- Sale by fixed price – Surplus ~~items property~~ may be sold by fixed price ~~to other state agencies, public school districts or nonprofit entities~~ if the price can be reasonably estimated. Surplus property items sold by fixed price should have the method of determining the fixed price on file for review by interested parties. Fixed price items will be limited to Nebraska entities. Library materials that are no longer in use and deemed surplus in accordance with this policy may be sold at a fixed price to the general public. College or System Office employees are not eligible to purchase surplus items by fixed price. All such sales shall adhere to the approved cash handling procedures at each College.
- Sale by negotiated price – Surplus items may be sold by negotiated price ~~to other state agencies, public school districts or nonprofit entities~~ if a fixed price cannot be reasonably determined. A record of the negotiation should be kept on file for review by interested parties. Negotiated price items will be limited to Nebraska entities. College or System Office

employees are not eligible to purchase surplus property by negotiated price. All sales shall adhere to approved cash handling procedures.

- Sale by sealed bids – Surplus property items may be sold by sealed bids if the bidding process is advertised in local/area newspapers and a minimum of fifteen (15) calendar days shall have elapsed between the time formal bids are advertised or called for and the time of their opening. Receipt of three sealed bids is preferred. If advertising protocol is followed and less than three bids are received, the College may accept less than three. At no time will a College employee be eligible to purchase surplus items by sealed bids.
- Sale by On-Line Auction - As an alternative to sealed bids, Items may be sold by posting items to school websites, social media or online auction houses may be used when deemed appropriate, with each College appropriate establishing procedures and adequate internal controls. The on-line auction process should be reviewed and approved by the which must be approved by the ChancellorChancellor. in advance.
- Trade-In – Surplus items that are to be traded-in, do not have to be offered to the other Colleges or System Office. Items cannot be traded prior to the appropriate approvals required within this policy.

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1.4. Disposal of Personal Property

- If a surplus item is not sellable or is unusable, the item may be disposed of destroyed by recycling the item or transferring the item to the local waste disposal facility. The person delivering the surplus item to the waste disposal facility should make every effort to remain on site until the items delivered to the waste disposal facility have been destroyed.
- Whenever practical, the unusable item will be recycled. Recycling is appropriate for metal items and ~~eelectronic~~ -waste.-
- Hard drives shall be erased or destroyed on all computers declared surplus.
- Hazardous waste shall be dealt with according to all applicable laws and regulations.
- All labeling that identifies the College or State of Nebraska must be removed.

1.5. Surplus Firearms

Surplus firearms must be turned over to the Nebraska State Patrol or other local law enforcement agency. Donated firearms may be returned to donor, if possible.

1.6 Inventory

Any inventoried item of capital equipment item which has been determined to be surplus to the needs of the institution, ~~or has ceased to function with respect to its regular operation, and which is unlikely to be used in its present form in the future,~~ must be removed from the inventory. Each institution shall develop written procedures to ensure that items sold, transferred or disposed of ~~removed from use~~ are identified and removed from inventory/cost records.

2. Exceptions to Surplus Property Disposal

2.1. Federal Property

Title to federally purchased property may be retained by the federally sponsored agency or vested in the College depending on the regulations of the agency and the requirements of the research project. Any federal requirements must be followed regarding any federally purchased property that is declared excess or surplus.

2.2. Surplus Materials

Materials consumed in the day-to-day operation of the College are considered supplies and are not managed or accounted for as property or equipment and may not be designated as surplus property. However excess supplies may be disposed of in a similar manner to surplus property.

~~2.3. Property Trade-In~~

~~Any items traded in on new purchases are not surplus property, but need to be approved in writing by the President or Vice President for Administration and Finance for the Colleges or by the Chancellor or Vice Chancellor for Finance and Administration or General Counsel for the System Office prior to the trade-in.~~

Note: The below deletion was moved to policy 7005

Inventories

~~An inventory of all non-expendable personal property shall be maintained throughout the System. Each College and the System Office shall be responsible for maintaining central inventory records for all moveable capital equipment, performing physical inventories, reconciling physical inventories to the related records and reconciling equipment additions and deductions on the inventory system to the general accounting system.~~

~~For the purpose of this policy, non-expendable personal property includes: Tangible personal property owned, leased, controlled or possessed by an institution. Such property must satisfy three criteria:~~

- ~~1. —Is not consumed in the normal course of business;~~
- ~~2. —Has a unit value of five thousand dollars (\$5,000) or more; and~~
- ~~3. —Has an economic useful life that exceeds two years.~~

~~Moveable equipment that does not meet these personal property definitions is not reported for financial reporting purposes (capitalization) but each institution is responsible for developing a formal, written institutional policy with respect to inventories of non-capital equipment and defining an appropriate level of control for such equipment. A higher level of control should be exercised over non-capital items that are easily converted to personal use, such as computer components, certain chemicals or pharmaceuticals.~~

~~Procedures should be in place to ensure that newly acquired items are promptly added to the inventory records, that items removed from use are deleted from the inventory records, and that a physical inventory is conducted annually to compare assets on hand to those listed on the inventory records. Location of equipment should be updated as necessary to reflect the current status of the inventory; it is essential that persons taking the physical inventory be able to locate all items listed on the inventory promptly.~~

~~All personal property identified as state property shall be indelibly tagged, marked or stamped as belonging to the State of Nebraska. All property purchased with non-state funds shall also be tagged, marked or stamped with appropriate identification and a separate inventory maintained.~~

~~If any property identified in the inventories is lost, destroyed or unaccounted for due to negligence or carelessness, proper steps shall be taken to recover such property or the reasonable value thereof from the responsible party.~~

~~Each College shall file the inventory record of all property including furniture and equipment, as of June 30, with the DAS Materiel Administrator by August 31 of each year.~~

~~Any item of capital equipment which has been determined to be surplus to the needs of the institution, or has ceased to function with respect to its regular operation, and which is unlikely to be used in its present form in the future, must be removed from the inventory. Each institution shall develop written procedures to ensure that items removed from use are identified and~~

~~removed from inventory/cost records.~~

SOURCE:

Legal Reference: ~~RRS 81-1118.02 — All Officers, Department, and Agencies; State Property; Inventory~~
[Neb. Rev. Stat. §85-304](#)

Policy Adopted: March 1994

Policy Revised: November 1995, May 2001, July 2010, March 2011, April 2012, March 2013, [January 2023](#)