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Administrative Policies and Procedures Manual - Policy 7710: Property Management and Control

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Authorized by [RPM 7.9 \("Property Management"\)](#)

Process Owners: University Controller

1. General Information, Definitions, Roles and Responsibilities

1.1. General Information

The University of New Mexico may acquire, maintain, protect, use, and dispose of property required to perform its mission. University property and resources may be used only for University business. Inventoried property costing more than \$5,000 is capitalized on UNM's financial statements and depreciated, and included in annual physical inventories. [Section Per NMSA 1978, 12-6-10\(A\) of the New Mexico Audit Act states, Annual Inventory](#), "No agency shall be required to list any item costing five thousand dollars (\$5,000) or less;" [in its annual inventory](#).

~~For the purposes of this policy, inventoried property is defined by the following three criteria:~~

~~1) Acquisition cost is greater than \$5,000~~

~~2) Property has a useful life of more than one (1) year~~

~~or~~

~~3) Property costs less than \$5,000 but requires separate tracking for University insurance purposes (i.e. drones, computers, loaned or leased property).~~

[Items that are \\$5,000 or less and not otherwise required to be included in annual physical inventories will be excluded from UNM's annual physical inventory, consistent with Section 12-6-10\(A\) of the Audit Act.](#)

Note: [All computers, whether laptops, tablets, CPUs servers, etc., with an acquisition cost of \\$5,000 or less are not considered inventorable capital assets in accordance with state law and are therefore excluded from the University's annual inventory. Although there is no official tagging requirement for these items, departments may request Inventory Control tags for tracking purposes for any computer with an acquisition cost of \\$5,000 or less via the Property Accounting website \(<https://propertyaccounting.unm.edu>\). If tags are issued for property acquired for \\$5,000 or less, these items will remain Non-Inventoried Property.](#) All purchased drones and computers, and items loaned/leased to the institution, will be tagged for tracking and reporting purposes. Items that are less than \$5,000 and not otherwise required to be included in annual physical inventories will be excluded from annual physical inventories per statute referenced above (NMSA 1978 12-6-10 Annual Inventory). All other items that are less than \$5,000 and have additional reporting requirement (purchased through restricted funding, loaned/leased to institution, FAA reporting requirements for drones, etc.), will continue to be included in annual physical inventories.

University ~~P~~roperty must be managed according to University policies and applicable state and federal law, including, but not limited to, those identified in the References section below ~~e~~ following:

- ~~New Mexico Statutes, Section 12-6-10, NMSA 1978~~
- ~~United States Office of Management and Budget (OMB) circulars, including Uniform Guidance~~
- ~~The National Aeronautics and Space Administration (NASA) procurement regulations~~
- ~~U.S. Department of Health and Human Services (DHHS) procurement regulations~~
- ~~U.S. Department of Energy (DOE) Procurement Regulations and~~
- ~~Appendix C of the Defense Acquisition Regulations as consolidated into the Federal Acquisition Regulations.~~

1.2. Definitions

- ~~Property Accounting Inventory Control – Refers to t~~The Office of ~~Property Accounting Inventory Control~~ that is responsible for coordinating the tracking and capitalization of ~~Inventoried University Property~~ equipment purchased by individual departments. See <https://propertyaccounting.unm.edu>. ~~inventory.unm.edu~~
- University Property – all property acquired by the University via purchase, gift, or transfer, regardless of the source of funds used [to acquire such property](#); ~~S. Government-owned Equipment used by University departments~~; components and material used to make equipment, whether furnished to, acquired by, or fabricated by the University; ~~property donated to the University~~; and property loaned or leased to the University by outside organizations [including Government-owned property which is titled to the Government, but is on loan to the University from the Government.](#)

- Inventoried Property – University-~~owned p~~Property with an acquisition cost greater than \$5,000 ~~and, with~~ a useful life greater than one year, OR property that needs to be tracked separately for insurance purposes ~~or particular laws or regulations (i.e. examples include, but are not limited to,~~ drones, ~~computers~~ or property ~~that is~~ loaned or leased to the University from outside organizations).
- ~~Non-Inventoried Property – University-owned p~~Property that is not required to be reported to ~~Property Accounting~~~~Inventory Control~~ ~~due to an acquisition cost of \$5,000 or less,~~ or ~~not otherwise~~ subject to an annual inventory. ~~Examples include: computer peripherals such as monitors, mice, keyboards and webcams, desk chairs, etc.~~
- ~~University property is in the custody of the department which purchased or is using the property.~~

1.3. Roles and Responsibilities

To assist departments, principal investigators, and administrators with effectively implementing this policy, the following roles and responsibilities are outlined:

1.3.1. Deans/Directors/Department Heads and/or Principal Investigators for Sponsored Projects

Deans/Directors/Department Heads and/or Principal Investigators for sponsored projects are responsible for:

- Management and control of the property assigned to them.
- Initiating requests to acquire property or use restricted or government excess property
- Proper use, maintenance, and security of assigned property
- ~~Maintaining~~ inventory records on all property in custody of the ~~ir~~ department;
- ~~R~~eporting any shortage, damage, loss, or theft of property
- Complying with annual physical inventory requirements
- Disposing of University ~~P~~property ~~in accordance with Section 5 below.~~ through Surplus Property in ~~accordance with University policies~~

1.3.2. Office of ~~Property Accounting~~~~Inventory Control~~

- Appropriately tracking all property that qualifies as ~~i~~inventoried ~~p~~Property ~~at the University~~
- Ensuring annual physical inventories are conducted in compliance with all applicable ~~laws,~~ regulations ~~and University policies regarding property management at the University~~

- Providing assistance as appropriate and feasible to University personnel to increase the effectiveness and efficiency of compliance with all applicable laws and regulations pertaining to property management at the University.

2. Acquiring Property

2.1. Purchases

All purchases of equipment are made according to University policies, the Higher Education Department (HED) regulations, and the State of New Mexico Procurement Code. Expenditures for units of equipment of \$10,000 or more are to be charged to a plant fund index. Departments may ~~use~~[contact Taxation](https://apps.unm.edu/finance/coa) ~~the UNM Chart of Accounts Application~~ (<https://apps.unm.edu/finance/coa>) <http://taxation.unm.edu/> to request creation of a plant fund index to transfer the funds into if the department does not have a plant fund index.

2.1.1. Purchases Using Restricted Funds

All purchases involving restricted funds must comply with the guidelines of the individual contract or grant [applicable to such restricted funds](#) and be approved by the University's Main Campus or University Health Sciences Contract and Grant Accounting Department. The purchase of equipment must be necessary, in accordance with the terms of the contract or grant and comply with all applicable laws and regulations. The principal investigator is responsible for completing all required forms concerning the purchased assets.

2.1.1.1. Avoid Duplicate Purchases

The University must avoid purchasing duplicate items. If it will not interfere with a project, users should make property acquired for use on a project available to other projects.

- First preference for other use shall be given to other projects sponsored by the federal agency that financed the property.
- Second preference shall be given to projects sponsored by other federal agencies.
- Use on other projects not sponsored by federal funds is permissible if authorized by the federal agency.

The University Office of [Property Accounting](#)~~Inventory Control~~ ("Inventory Control") maintains a database of property available for shared use. Inquiries regarding particular items should be sent to [Property Accounting](#)~~Inventory Control~~ to determine if equipment is available.

2.2. Gifts of [Property](#)~~Equipment~~

All gifts of [property](#)~~equipment~~ to the University must be made in accordance with [UAP 1030](#) ("Gifts to the University"), Section 4.6. Written approval for the acceptance of the gift must be obtained from the cognizant chair and dean and documented on the Check List for Donations of Equipment Form found on the [UNM Foundation's website, UNM Depositor's page](#). The formal acknowledgment of a gift must be made by the UNM Foundation. The department receiving the gift is responsible for expressing its appreciation and gratitude for the gift to the donor. Receiving units must report all property valued over \$5,000 to [Property Accounting](#)~~Inventory Control~~ by providing a

copy of the completed Check List for Donations of Equipment Form. [Property Accounting](#)~~Inventory Control~~ is responsible for adding the property to the University Property Inventory as described in [Section 4.](#) herein.

2.3. Property Loaned to the University

External organizations and agencies sometimes lend property to the University. Loaned property may include such diverse items as a fine arts collection or a piece of equipment.

2.3.1. Record Keeping and Insurance

Any property on loan to the University must be immediately reported to [Property Accounting](#)~~Inventory Control~~ for insurance purposes. The loaned property is added to the University inventory records and is included in the annual physical inventory. When the property is returned to the lending organization, the borrowing department must notify [Property Accounting](#)~~Inventory Control~~ and provide evidence that the returned equipment was received by the lending entity (i.e. copy of the receipt of goods).

2.3.2. Use, Maintenance, and Security

Property on loan to the University will be returned in the same condition in which it was received. While property is on loan to the University, the department entrusted with the property is responsible for its use, maintenance, and security. Refer to [Section 3.](#) herein for guidelines.

2.4. Hazardous Materials

If hazardous or dangerous materials are needed while conducting research, the purchaser must contact the [UNM Environmental Health and Safety Department](#) before acquisition and follow all applicable University policies related to the purchase and use of hazardous materials.

3. Use, Maintenance, and Security of Property

University departments who have custody of University ~~p~~Property are responsible for its proper use, maintenance, and security.

3.1. Use of Property

Normally all property should be used for the purpose originally intended. However, a piece of [property](#)~~equipment~~ acquired for use on a sponsored project may sometimes be used elsewhere within the University after the project ends in accordance with the terms of the contract or grant, if such alternate use is permitted.

3.1.1. Government Owned Property

Any government property with an acquisition value of [more than](#) \$5,000 ~~or more~~ must be monitored for a minimum level of use as required by [federal regulations](#)~~Federal Acquisition Regulations (FAR) Subpart 45.902-2 and OMB Circular A-110~~. If the [property](#)~~equipment~~ is no longer being used for its original intended use, the department must contact [Property Accounting](#)~~Inventory Control~~ for guidance as to its proper disposition.

3.2. Maintenance of Property

Departments must take care of and properly maintain all property in their custody and control to ensure the longest useful life possible. All items should be maintained according to manufacturers' recommendations or generally accepted standards, including schedules of lubrication, cleaning, calibration, and inspection. If preventive maintenance is not required, the property should be maintained in a manner appropriate for the particular property with due care by the department or employee in custody of such property.

3.3. Location and Security of Property

The location of each item of ~~in~~inventoried ~~p~~Property is included in the University inventory records. Current location records of ~~in~~inventoried ~~P~~property must be maintained so that any item ~~listed of inventoried property~~ can be located for inspection or inventory purposes within a reasonable time. When ~~in~~inventoried ~~P~~property is temporarily idle, ~~in transit~~, or placed in storage, the department must provide adequate protection from damage or loss. ~~Inventoried Pproperty must be protected when moved.~~

Departments and employees should make adequate provisions for the physical security of the ~~University P~~property in their custody (inventoried and non-inventoried). Areas containing ~~University Property equipment~~ should be locked after business hours or at other times when not in use. Special precautions should be taken for high-value, portable items.

3.3.1. Theft or Destruction of Property

Departments must immediately report the theft or destruction of any ~~equipment-University Property~~ to the University of New Mexico Police Department (along with the serial numbers and UNM Inventory Control Tag numbers, if applicable), ~~Property AccountingInventory Control~~, and the Department of Risk Services. Unexplained disappearances and losses must be reported to ~~Property AccountingInventory Control~~ as soon as possible following the discovery of the loss. For more information, refer to [UAP 6150 \("Casualty and Liability Insurance Claims"\)](#).

3.3.2. Precious Metals and Sensitive Items

Every precaution must be taken to ensure the safekeeping of precious metals and sensitive items. Sensitive items are items of property that are susceptible to being taken for personal use or which can be readily converted to cash. Sensitive items must remain in a secure area when not in use. Precious metals must be locked in a safe when not in use. Changes in form, including extraction from the original product, must be according to the terms of the contract or grant.

4. Property Accounting~~Inventory Control~~ and Reporting

~~Property AccountingInventory Control~~ is responsible for overseeing all ~~in~~inventoried ~~p~~Property assigned to University departments. Departments must prepare an accurate annual inventory of their ~~in~~inventoried ~~P~~property and return the Certification Statement and supporting documents to ~~the Property AccountingInventory Control~~ within the time

designated by [Property Accounting](#)~~Inventory Control~~. Departments have an ongoing responsibility to make any necessary adjustments to their inventory, which may include disposing of old, obsolete equipment through the Surplus Property Department. Questions regarding inventory, tagging processes, account codes, disposals, ownership titles, equipment checkouts, donations, etc. should be directed to [Property Accounting](#)~~Inventory Control~~ (UNMinventory@unm.edu).

4.1. University [Property](#)~~Equipment~~ Inventory

[Property Accounting](#)~~Inventory Control~~ maintains the University Inventory System, a database containing information on each item of [Inventoried Property](#)~~property valued over \$5000, and other items that require tracking for insurance purposes (drones, computers and items loaned/leased to the University)~~. The following information is maintained oin the inventory database for each item of [Inventoried Property](#)~~equipment~~:

- UNM identification number (per Inventory Control Tag)
- name or description of item
- manufacturer, model number, and serial number
- reference number, index number used for purchase, and fund code
- department name and location where equipment is assigned
- acquisition and date assigned to current department (if different)
- [initial](#) cost
- availability code (available for use elsewhere, used in the current department, surplus, not usable in current condition, or available for shared use)
- government code (designates [G](#)government-owned [E](#)equipment)
- source of acquisition
- disposition record

4.1.1 Inventory Control Tag

Following an acquisition or acceptance of property required to be inventoried, it is the responsibility of the department in custody of the property to obtain an Inventory Control Tag from [Property Accounting](#)~~Inventory Control~~ for each [item](#)~~piece~~ of [inventoried P](#)property. ~~and t~~The department must ensure the Inventory Control Tags are placed on all [inventoried P](#)property prior to being put into use. Inventory Control Tags should be placed on the item(s) in a location that is easily identifiable. The [Asset Adjustment](#) form may also be used to request an Inventory Control Tag.

4.1.2 New Inventory Report

When notified by Procurement, Inventory Control forwards a report identifying specific item(s) as having been recently acquired by the department along with Inventory Control Tags for each item of inventoried property. Inventory Control Tags should be placed on the item(s) in a location that is easily identifiable. The responsible department must fill in the information requested by Inventory Control and return it to Inventory Control within thirty (30) days after receipt of the report. The report includes information such as location of equipment and serial numbers, that will assist in maintaining accurate inventory records.

4.2. Physical Inventories

Pursuant to state law, New Mexico law, Section 12-6-10, NMSA 1978 requires the University of New Mexico to conduct a physical inventory of all property valued over \$5000 annually. The annual physical inventory also provides departments with an accurate inventory of property assigned to the department.

Annually, Property Accounting Inventory Control provides each department a listing of the department's inventoriable property, as currently reflected in the University inventory system, along with instructions for conducting a physical inventory, a form for identifying federal property on loan to the University, and a Certification Statement to be returned to Property Accounting Inventory Control. The Asset Adjustment form and other inventory forms are available on the Property Accounting website (<https://propertyaccounting.unm.edu>) Inventory Control website. Department administrators are responsible for completing an annual physical inventory and returning all forms to Property Accounting Inventory Control by the specified deadline. The department shall retain copies of inventory documents.

4.2.1. Physical Inventory of University Art and Library Collections

The units maintaining the University's art and library collections have established appropriate internal procedures for inventorying and documenting their holdings and are exempt from the University's annual physical inventory requirement as to those holdings. However, the units maintaining the art and library collections should notify Property Accounting Inventory Control of additions and deletions of the collections as part of the University's annual inventory process.

Property Accounting Inventory Control uses the certified inventories to adjust and correct the University's inventory, if needed.

4.3. Adjustments to Inventory

Changes in a department's inventoried Property should be reported to Property Accounting Inventory Control as they occur throughout the year. The Asset Adjustment form or the Request for Disposal of Surplus Property form is used to report additions to or deletions from the department's inventory.

4.4. Assistance from [Property Accounting](#)~~Inventory Control~~

Departments may request assistance from [Property Accounting](#)~~Inventory Control~~ for a fee to affix the Inventory Control Tags and complete the New Inventory Report. A representative will come to the department acquiring the property, inspect the equipment, affix Inventory Control Tags, and record all identifying information. If a department requests assistance, or is unable for any reason to complete their annual physical inventory or to complete tagging of newly acquired assets in a timely manner, the required inventory and tagging will be completed by [Property Accounting](#)~~Inventory Control~~ at the department's expense.

5. Disposition of Property

When an item of [University P](#)roperty is no longer useful to a department, it may be transferred to another University department, traded in ~~for new equipment~~, or disposed of through the University Surplus Property Department. ~~The department that is transferring, trading in, or disposing of the property is responsible for completing an Asset Adjustment form or the Request for Disposal of Surplus Property form and submitting it to the appropriate office for approval.~~ Refer to UAP 4610: [Acquisition and Disposition of UNM Surplus Equipment](#) for rules regarding the disposition of University ~~p~~Property.

5.1. Interdepartmental Transfer of [Inventoried](#) Property

When ~~equipment~~ [Inventoried Property](#) is transferred between University departments, no change is made in the recorded value of the [property](#)~~equipment~~. The department transferring the [Inventoried University Property](#) ~~equipment~~ must report the transfer to [Property Accounting](#)~~Inventory Control~~ on an [Asset Adjustment](#) form.

5.2. Transfer of Assets to Another Institution (Acquired Under a Contract or Grant)

Equipment or materials purchased with funds from contracts and grants administered by the University legally belong to the University of New Mexico. ~~If a principal investigator transfers to another institution, in general, research grants will transfer with the principal investigator. However, contracts and grants for public service or training projects will usually remain with the University.~~ Guidelines within the contract or grant will specify the procedure to follow and whether the acquired assets associated with the contract or grant are permitted to transfer with the principal investigator [or remain property of the University](#). Any University ~~P~~roperty not officially transferred with the grant [to the principal investigator's new institution](#) remains with the University.

5.3. Trading In Property

If a department wishes to trade in an item of property on the purchase of a new item, the department should contact the University Purchasing Department for approval. The Purchase Requisition should identify the item to be traded in, including a full description, manufacturer, serial number, and University identification number (per Inventory Control

Tag). The department trading in the property must complete a [Request for Deletion of Assets](#) form and send it to ~~the~~ [Property Accounting](#)~~Inventory Control~~.

5.4. Cannibalization of Equipment

When an item [of University Property](#) can no longer be used for the purpose for which it was acquired or cannot be economically repaired and its components or parts are usable in a like item of equipment it may be desirable and advantageous to cannibalize (dismantle) an item of property. After cannibalization, the Inventory Control Tag must be turned in to the office of [Property Accounting](#)~~Inventory Control~~ with a completed [Request for Deletion of Assets](#) form. Components of the cannibalized equipment that are not usable by the department should be sent to the Surplus Property Department.

5.5. Works of Art, Historical Treasures, and Special Collections

Any funds received from the sale of works of art, historical treasures, or special collections must be used in accordance with the collection's accessioning and deaccessioning policies, [UAP 6410 \("Museums and Collections"\)](#), and other professional standards. In general, as these collections are held for public exhibition, education, or research in furtherance of public service rather than financial gain, the proceeds will be used to further these goals and objectives.

5.6. Government Property

If any ~~inventoried~~~~able p~~Property purchased ~~in relation to by~~ a government sponsored project is no longer being used, the department must contact [Property Accounting](#)~~Inventory Control~~ to determine the proper disposition of such property.

5.7. Disposal of Surplus or Obsolete Property

All [University P](#)property (inventoried and non-inventoried) to be disposed of must be sent to the Surplus Property Department. This does not include property to be traded in on new equipment or transferred to another University department. A department that has [any University P](#)property that is not being used should contact the Surplus Property Department. The department should complete and submit the [Request for Disposal of Surplus Property](#) form. For more information refer to [UAP 4610 \("Acquisition and Disposition of UNM Surplus Equipment"\)](#).

5.8. Loan of Equipment to a Non-University Entity

All requests to loan University ~~p~~Property to a non-University entity must be submitted in writing for approval to ~~either~~ the University Controller~~or the~~. The request should describe the property in detail and include a statement justifying the proposed loan of the property.

5.9. Hazardous Materials

If hazardous or dangerous materials are to be sold after use, UNM Environmental Health & Safety must be consulted first and all appropriate measures must be taken in accordance with all laws and regulations, when transferring such property.

6. Related Links

[UAP 1030 \("Gifts to the University"\)](#)

[UAP 4610 \("Acquisition and Disposition of UNM Surplus Equipment"\)](#)

[UAP 6150 \("Casualty and Liability Insurance Claims"\)](#)

[Asset Adjustment Form](#)

[Request for Disposal of Surplus Property Form](#)

[Request for Deletion of Assets Form](#)

7. References

[NMSA 1978, Section 12-6-10, Annual Inventory](#)

- [Section 12-6-10, NMSA 1978 "Annual Inventory"](#)
- [United States Office of Management and Budget \(OMB\) circulars, including Uniform Guidance](#)
- [The National Aeronautics and Space Administration \(NASA\) procurement regulations](#)
- [U.S. Department of Health and Human Services \(DHHS\) procurement regulations](#)
- [U.S. Department of Energy \(DOE\) Procurement Regulations and](#)
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