

UC SANTA BARBARA POLICY AND PROCEDURE

Reporting the Loss or Theft of Inventorial Equipment

Contact: Purchasing - Equipment Management

First Issued: October 2003

Pages 10

REPORTING THE LOSS OR THEFT OF INVENTORIAL EQUIPMENT

Table of Contents

<u>Sections</u>	<u>Page</u>
I. Scope	1
II. Definitions.....	1
III. Policy.....	2
IV. Records Retention.....	3
V. Procedure for Reporting Theft of Inventorial Equipment	3
VI. Procedure for Reporting Recovery of Stolen Inventorial Equipment.....	5
VII. Procedure for Reporting Loss of Inventorial Equipment.....	6
VIII. Procedure for Reporting the Recovery of "Lost" Inventorial Equipment.....	9
IX. References	10
X. Appendix (Summary of Actions).....	10

I. Scope

This policy applies to all **inventorial** equipment that has been issued a UCSB property number and has an active status in the Capitalized Assets Tracking System (CATS) maintained by Equipment Management. This policy applies whether title to the inventorial equipment vests with the University or an external agency, and whether the issued UCSB property tag has been affixed to it or not.

This policy does NOT apply to **non-inventorial** equipment.

II. Definitions

Equipment Custodian – That department or unit to which custody of an item of inventorial equipment has been permanently assigned. If, for example, Department A has loaned a piece of equipment to Department B, Department A remains the official Equipment Custodian.

Depreciated Value – The depreciated value of inventorial equipment is calculated by factoring its acquisition value and its Useful Life (see definition below). Microcomputers (such as desk top computers) have a useful life of 5 years and depreciate in 1/5 increments. The depreciated value of a \$3,000 microcomputer with a receipt ("acquisition") date of July 10, 2001 drops to \$2,400 during its first year (essentially, on the day that it was received), \$1,800 upon the first anniversary of its receipt, \$1,200 upon the second, \$600 upon the third and reaches \$0 in depreciated value on the fourth anniversary of its receipt – i.e., on

July 10, 2005. If this microcomputer is reported lost on March 15, 2003 (between the first and second “anniversaries”), it has a depreciated value of \$1,800.

Inventorial Equipment – Non-expendable, tangible, personal property which has an acquisition cost of \$1500 or more, is freestanding, is complete in itself, does not lose its identity when affixed to or installed in other property and has a normal life expectancy of one year or more. In addition, firearms, regardless of cost, and items acquired prior to July 1999 to which external agencies hold title are considered inventorial. (The presence of a property tag does not mean that an item is inventorial. The value threshold was increased to \$1500 in July 1999. Equipment with UC title purchased before that date with a value of less than \$1500 may have a property tag; however, it is not considered inventorial.)

Non-inventorial Equipment - Equipment valued at less than \$1500 and that is not in the Capitalized Assets Tracking System (CATS).

Loss – In the context of this policy, “loss” refers specifically to inventorial equipment that cannot be located by the Equipment Custodian, during a bi-annual physical inventory or other internal department survey; it does not refer to loss due to theft or destruction of property.

Obsolete Equipment – In the context of this policy, all inventorial equipment that is past its Useful Life (for example, a microcomputer that is five or more years old). The equipment may still be functioning and in use but according to the University’s Useful Life Schedule, it is fully depreciated and retains no book value.

Useful Life – The life expectancy of an item of inventorial equipment, based on the Equipment Classification Code. The useful life of equipment varies according to its type: microcomputers – 5 years; laptops – 3 years; monitors – 8 years, to cite but a few examples. The UC Director – Materiel Management, maintains the [University of California’s Useful Life Schedule](#). It may be found, in a number of different formats (sorted by equipment category or by equipment classification code) and with a search feature.

III. Policy

Consistent with UC Business and Finance Bulletin BUS-29, Management and Control of University Equipment, Section L.I.C, “The loss or theft of [inventorial] equipment, when detected, must be reported immediately by the department head to campus police and risk management as required by Business and Finance Bulletin BUS-28 Property Self-Insurance Program. Notice should also be sent to the Equipment Administrator [i.e., Manager] and the equipment shall be removed from the inventory records.”

The procedures that follow are to be used to report the loss or theft of inventorial equipment.

IV. Records Retention

Equipment Management is the Office of Record for all documents and electronic records related to the acquisition, transfer, disposal, and loss or theft of inventorial equipment. It retains original copies of all Equipment Inventory Modification Requests (EIMRs) and Excess and Surplus Property Disposal (ESPD) forms consistent with the UC Records Management Program and records disposition schedules.

Campus departments are required to retain copies of EIMRs or ESPDs for no more than 1 year. It is recommended, however, that they retain copies of disposal EIMRs or ESPDs until they receive the next printed bi-annual Physical Inventory (EQ920) showing that the inventorial equipment has been deleted from their inventory. It is recommended that departments retain copies of re-acquisition EIMRs until the inventorial equipment re-acquired under them has been disposed and its disposal verified on the next Physical Inventory.

V. Procedure for Reporting the Theft of Inventorial Equipment

A. The Equipment Custodian is to:

Immediately report the theft of inventorial equipment. After the theft has been detected:

1. Call the **UCSB Police Department** dispatch number (ext. 3446); an officer will be sent to the department to investigate the theft and complete a Police Report.
2. Call the **Risk Management/Insurance** analyst (ext. 5836) to initiate an insurance claim and provide the information required to complete a Property Loss Report. In general, send Risk Management:
 - a) A department memo explaining the circumstances of the theft,
 - b) The police report number,
 - c) Photographs, and
 - d) Proof of ownership (such as, purchase order, receipt, invoice).
3. Report all items of stolen inventorial equipment to **Equipment Management** by completing an Equipment Inventory Modification Request (EIMR), in either its [paper form](#) or [on-line](#) version.
 - a) Enter the Police Report number in the "Remarks" section of the EIMR.

- b) File the copy of the paper EIMR signed by the Equipment Manager after it is returned via campus mail; OR, print and file a copy of the on-line EIMR once its status has been updated to "Transferred," indicating final approval by Equipment Management.

B. Equipment Management is to:

1. On receipt of an EIMR, remove the items of stolen inventorial equipment from the Equipment Custodian's inventory by processing a disposal transaction code 25 (Theft) for each item.
2. File the original paper EIMR and return a copy, signed by the Equipment Manager, to the Equipment Custodian; OR, update the status of an on-line EIMR to "Transferred" to indicate approval and print a copy for the file.

C. UCSB Police Department is to:

1. On notification of a theft, conduct an investigation per established policy and procedures.
2. Provide the Equipment Custodian with the police report number. The Equipment Custodian must include the police report number on the EIMR to be sent to Equipment Management to report the theft of the inventorial equipment.

D. Risk Management/Insurance is to:

1. When the Equipment Custodian reports a theft and makes a claim for reimbursement under the UC Property Self-Insurance Program, determine whether the theft is covered under BUS-28 as forced entry or unforced entry.
2. If the loss is covered, complete a Property Loss Report. Obtain the required information from the Equipment Custodian: a department memo describing circumstances surrounding the loss, the police report number, photographs, and purchase order or receipts showing proof of ownership.
3. When the documentation is complete, submit the claim to the Office of the President for reimbursement.
4. If the claim is approved, the Office of the President will journal the reimbursement to the account number provided to Risk Management by the Equipment Custodian.

VI. Procedure for Reporting the Recovery of Stolen Inventorial Equipment

A. Equipment Custodian is to:

1. If the stolen inventorial equipment is recovered through the action of the UCSB Police Department or another law enforcement agency, notify Equipment Management by submitting a paper EIMR. (On-line EIMRs cannot be used to record this type of transaction).
2. If the Equipment Custodian locates the item(s) on its own and determines that they were simply misplaced, not stolen, report the recovery to:
 - a) **Equipment Management**, by submitting a paper EIMR; and
 - b) **UCSB Police Department**, thereby allowing it to close the case, which might otherwise remain open; and
 - c) **Risk Management/Insurance**, in case any reimbursement for the loss is pending and needs to be canceled, or has been made and must be refunded by the Equipment Custodian.
3. File the copy of the EIMR signed by the Equipment Manager after it is returned via campus mail.

B. Equipment Management is to:

1. On receipt of the EIMR, restore the items of equipment to the Equipment Custodian's inventory by processing a re-acquisition transaction code 45 (Recovered) for each item.
2. Return a copy of the EIMR, signed by the Equipment Manager, to the Equipment Custodian
3. File the original EIMR.

C. UCSB Police Department is to:

1. If stolen inventorial equipment is recovered through action of the UCSB Police Department or another law enforcement agency, after the case has been adjudicated and the equipment no longer has any evidentiary value, close the investigation per established policy and procedures and return the recovered equipment to the Equipment Custodian.
2. If informed by the Equipment Custodian that the department has located the inventorial equipment and determined that they were

simply misplaced, not stolen, contact the department, and amend or close the investigation per established policy and procedures.

D. Risk Management/Insurance is to:

1. If stolen inventorial equipment is recovered prior to reimbursement by the Office of the President, contact the Office of the President to terminate the claims process.
2. If equipment is recovered following the Office of the President's reimbursement to the Equipment Custodian, prepare the necessary financial journal to credit the money back to the Office of the President.

VII. Procedure for Reporting the Loss of Inventorial Equipment

A. Equipment Custodian is to:

Report losses when they are discovered.

1. **For the loss of 20 or fewer items of obsolete (i.e., fully depreciated) inventorial equipment:**
 - a) Conduct an internal review to determine why EIMRs were not prepared and submitted in a timely fashion to record the disposals. Institute new procedures to ensure timely reporting in the future.
 - b) Report the loss to Equipment Management by completing an EIMR, in either its paper or on-line format. No additional documentation is needed.
 - c) File the copy of the paper EIMR signed by the Equipment Manager after it is returned via campus mail; OR, print and file a copy of the on-line EIMR once its status has been updated to "Transferred," indicating final approval by Equipment Management.
2. **For the loss of:**
 - **More than 20 items of equipment (even if all obsolete/fully depreciated); or**
 - **Items with an acquisition value of \$100,000 or more (even if obsolete/fully depreciated); or**
 - **Items of equipment still within Useful Life (even if their depreciated value is less than \$1500, for example, a laptop with a useful life of 3 years purchased for \$2,100 and reported lost 6 months later, when its depreciated value is technically "only" \$1,400); or**

- **Items retaining a depreciated value of \$1500 or more:**
 - a) Conduct an internal review to determine why EIMRs were not prepared and submitted in a timely fashion to record the disposals. Institute new procedures to ensure timely reporting in the future.
 - b) Prepare a memo, addressed to Equipment Management, explaining the circumstances surrounding the loss and detailing the new procedures instituted to ensure that timely EIMRs are processed in the future. The Department Chair or Director must sign this memo.
 - c) Report the loss to Equipment Management by completing an EIMR, in either its paper or on-line format.
 - d) Attach the memo to a paper EIMR and send them to Equipment Management; OR, if submitting an on-line EIMR, send the memo to Equipment Management, after noting this fact in the "Remarks" section of the on-line EIMR.
 - e) File the copy of the paper EIMR signed by the Equipment Manager after it is returned via campus mail; OR, print and file a copy of the on-line EIMR once its status has been updated to "Transferred," indicating final approval by Equipment Management.

B. Equipment Management is to:

1. **For the loss of 20 or fewer items of obsolete (i.e., fully depreciated) equipment:**
 - a) On receipt of the EIMR, remove the items of lost inventorial equipment from the Equipment Custodian's inventory by processing a disposal transaction code 22 (Lost/Unable to Locate) for each item; and
 - b) File the original paper EIMR and return a copy, signed by the Equipment Manager, to the Equipment Custodian; OR, update the status of an on-line EIMR to "Transferred" to indicate approval and print a copy for the file.
2. **For the loss of:**
 - **More than 20 items of equipment (even if all obsolete/fully depreciated); or**
 - **Items with an acquisition value of \$100,000 or more (even if obsolete/fully depreciated); or**

- **Items of equipment still within Useful Life (even if their depreciated value is less than \$1500); or**
- **Items retaining a depreciated value of \$1500 or more:**
 - a) On receipt of the EIMR, forward a copy to the UCSB Police Department for the determination of whether a formal police investigation is required; and
 - b) Suspend processing of the EIMR until notified by the UCSB Police Department to proceed.
 - c) If the Police Department declines to investigate, or its investigation confirms that the items have been lost, remove them from the Equipment Custodian's inventory by processing a disposal transaction code 22 (Lost/Unable to Locate) for each item.
 - d) If the Police Department determines that the items were actually stolen, remove them from the Equipment Custodian's inventory by processing a disposal transaction code 25 (Theft) for each item, once the police report number has been supplied.
 - e) If the Police Department's investigation results in the rediscovery of (some of) the items, delete them from the EIMR/dispose of the EIMR, as necessary.
 - f) File the original paper EIMR and return a copy, signed by the Equipment Manager, to the Equipment Custodian; OR, update the status of an on-line EIMR to "Transferred" to indicate approval and print a copy for the file.

C. UCSB Police Department is to:

1. **For incidents that involve 20 or fewer items of obsolete (i.e., fully depreciated) equipment**, take no action. The EIMR is not referred to the Police.
2. **For incidents that involve:**
 - **More than 20 items of equipment (even if all obsolete/fully depreciated)**
 - **Items with an acquisition value of \$100,000 or more (even if obsolete/fully depreciated)**
 - **Items of equipment still within Useful Life (even if their depreciated value is less than \$1500, for example, a laptop with a useful life of 3 years purchased for \$2,100 and reported lost 6 months later, when its depreciated value is technically "only" \$1,400)**

- a) Determine whether a formal investigation is required, applying professional criteria and experienced judgment.
- b) If no investigation is to be conducted, inform Equipment Management, so it can process the items on the EIMR as Lost/Unable to Locate.
- c) If an investigation is to be conducted, inform Equipment Management that the EIMR remains suspended.
- d) Conduct an investigation, per established policy and procedures.
- e) Once the investigation is complete, provide Equipment Management and the Equipment Custodian with the results: either confirmation that the items are lost, stolen, or were located during the course of the investigation.

3. For incidents that involve items retaining a depreciated value of \$1500 or more:

- a) Conduct an investigation, per established policy and procedures; and
- b) Once the investigation is complete, provide Equipment Management and the Equipment Custodian with the results: either confirmation that the items are lost, stolen, or were located during the course of the investigation.

D. Risk Management/Insurance is to:

For all losses, take no action. Cases involving a “mysterious disappearance” – the inability to locate equipment coupled with no knowledge of the circumstances of the loss – are not covered by the UC Property Self-Insurance Program. No claim can be filed with Risk Management/Insurance.

VIII. Procedure for Reporting the Recovery of Lost Inventorial Equipment

A. Equipment Custodian is to:

1. If inventorial equipment that was reported lost is later found, notify Equipment Management by submitting a paper EIMR. (On-line EIMRs cannot be used to record this type of transaction).
2. File the copy of the EIMR signed by the Equipment Manager after it is returned via campus mail.

3. If the Police Department was investigating the loss, contact the officer in charge of the investigation to inform him/her of the recovery of the item(s).

B. Equipment Management is to:

1. Restore the items of stolen equipment to the Equipment Custodian's inventory by processing a re-acquisition transaction code 45 (Recovered) for each item.
2. Return a copy of the EIMR, signed by the Equipment Manager, to the Equipment Custodian.
3. File the original EIMR.

C. UCSB Police Department is to:

When informed by the Equipment Custodian that the lost inventorial equipment under investigation has been found, amend or terminate the investigation per established procedures, following up with the department as necessary.

D. Risk Management/Insurance is to:

Take no action: losses of this nature are not covered by the UC Property Self-Insurance Program and are not referred to Risk Management/Insurance.

IX. References

[UC Business and Finance Bulletin BUS-29, Management and Control of University Equipment](#)

[UC Business and Finance Bulletin BUS-28, Property Self-Insurance Program](#)

[UCSB Campus Information and Procedure Manual, *Equipment Management*](#)

X. [Appendix \(Summary of Actions\)](#)