



THE STATE UNIVERSITY of NEW YORK

Office of the
Vice Chancellor and
Chief Financial Officer

MEMORANDUM

University Controller

State University Plaza
Albany, New York
12246

518 443 5463
fax - 518 443 5871

www.suny.edu

**TO: Campus Business Officers,
State-operated**

January 15, 2009

FROM: Jeffrey J. McGrath 

SUBJECT: Equipment Internal Controls and Reporting Requirements

The Office of the State Comptroller (OSC) recently completed an audit of the State University's equipment controls and related compliance with reporting requirements. The objectives of the audit were to determine whether selected SUNY campuses have established adequate controls over equipment items, and whether campuses are properly reporting lost or stolen equipment items, as required by law. The audit period was from January 1, 2006 through February 28, 2008.

As a result of the audit, and at the recommendation of OSC, changes have been made to the University's Property Control System (PCS) manual. The changes made to the PCS manual are as follows:

- A complete physical inventory should be taken, and the results reconciled with the inventory records, at least once every two years. This is consistent with the federal government's *Office of Management and Budget Circular A-110* regulations. In addition, as required by the Office of the State Comptroller, campuses will be required to conduct a physical inventory of a portion of the equipment at least annually. As part of this process, we are requesting campuses to incorporate this change in their campus procedures.
- The campus should have a written policy for tagging equipment items under \$5,000 (i.e., using a set dollar threshold or by listing specific higher risk items under \$5,000 that should be tagged). Campuses should periodically spot-check selected equipment items under \$5,000 to verify their existence and condition.

- Campuses are required to report the theft, loss or misuse of State assets in excess of \$1,000 (original cost) to the Office of the State Comptroller on a quarterly basis. In addition to submitting the report to OSC, campuses are also required to send a copy of the report to the University Controller's Office.

In addition to these changes, it has been recommended by OSC that System Administration formally remind campuses of certain inventory procedures, specifically:

- The PCS manual requires campuses to update their property control records in a timely manner and provides guidance for equipment items not found or transferred to other locations. Assets determined to be unaccountable should be retired from PCS after proper campus procedural authorization.
- The PCS manual requires that all equipment items must be tagged. For State-owned equipment with an original cost of \$5,000 or greater, campuses are required to assign sequentially numbered inventory (asset) decals. For State-owned equipment below the \$5,000 University capitalization threshold, campuses are responsible for assigning a campus identification decal.

Attached please find the updated Property Control System manual with the updates denoted in red. The revised manual can be found on the SUNY web page at http://www.suny.edu/sunypp/documents.cfm?doc_id=601.

Should you have questions on this matter, please feel free to contact Kevin Donlon or me in the University Controller's Office at (518) 443-5463.

Attachment

Copy: Campus Accounting Officers
Property Control Coordinators
J. Van Voorst
M. Abbott
P. O'Day
K. Donlon