

## PROPERTY INVENTORY & WAREHOUSES CONTROL POLICIES AND PROCEDURES

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### Policy Statement

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The Property Inventory and Warehouses Control Department (PIWC) aims to provide efficient, quality services to the University and is responsible for accounting for all the University's moveable assets. The PIWC department holds itself to the highest standards of excellence in keeping an orderly record of all moveable assets in a way that supports the daily and ongoing operations of the University.

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### Reason for Policy/Purpose

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The purpose of this policy is to:

- a. Establish rules and procedures that ensure the accountability and safeguarding of all University movable assets.
- b. Provide the general policies for inventory control of equipment and furniture.
- c. Provide guidance for personnel who have responsibilities over university assets.

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### Who Approved This Policy

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- Mr. Ibrahim Yacoub, Executive Director, Procurement office
- Mr. Amir Habib, Interim Chief Financial Officer

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### Who Needs to Know This Policy

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This policy applies to all AUC departments and offices.

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### Web Address for this Policy

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<https://documents.aucegypt.edu/Docs/Policies/PROPERTY%20INVENTORY%20AND%20WAREHOUSES%20CONTROL.pdf>

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### Contacts

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Responsible University Official: Mona Abdullah, Material Management Director.  
Responsible University Office: Material Management department, Procurement office.  
If you have any questions on the policy or procedure for this policy, you may:

1. Call Mona Abdullah at ext. 2261, or

2. Send an e-mail to mona\_a@aucegypt.edu

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**Definitions**

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Term (alphabetical order)	Definition as it relates to this policy
N/A	

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**Policy/Procedures**

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**1. Objective**

The purpose of this policy is to:

- a. Establish rules and procedures that ensure the accountability and safeguarding of all University movable assets.
- b. Provide the general policies for inventory control of equipment and furniture.
- c. Provide guidance for personnel who have responsibilities over university assets.

**2. Definition of Equipment**

The University defines equipment as those items acquired by purchase, gift or assembly, which have the following characteristics:

- a. Appearance and life: Equipment has a useful life of one or more years while retaining its general appearance and shape.
- b. Repair ability. Equipment is non-expendable. If the item is damaged or worn out, it is usually more feasible to repair the equipment than to replace it.
- c. Maintenance of identity. Equipment does not lose its identity when it is incorporated into a different or more complex unit.

**2.1 Capital and Minor Equipment**

To assist in determining the proper G/L account number for equipment-type expenditures and when asset numbers should be created, the definition of equipment is further categorized into the following:

- a. Movable equipment: These are items of a movable nature, which have a cost or fair value and a productive life of two or more years – please refer to AUC’s Capitalization &

Depreciation Policy for low/high-value asset ceiling amounts. An asset number must be created for all movable equipment and furniture and the items must be tagged.

- b. Sensitive minor equipment: These are equipment items of a movable nature which are particularly vulnerable to theft and have a cost or fair value between \$600 and \$250. The following specific items (as an example) may require to be recorded as sensitive minor equipment:
- c. Binoculars, cameras, camera lenses (200mm and larger), computers, CD writers, external computer storage devices, external computer modems, fax machines, radios and receivers, two-way radio transmitters and receivers, video cameras, video recorders and players, monitors, mobile phones, etc.
- d. An asset number must be created for all sensitive minor equipment and the items must be tagged. All expenditures for sensitive minor equipment must be recorded with an asset number in the University assets records.
- e. Fixed equipment: Fixed equipment includes non-movable items such as built-in shelving and cabinets, light and plumbing fixtures, boilers, and other such built-in mechanical or electrical equipment that become an integral part of a structure. Asset numbers are not required for fixed equipment.
- f. Accessory items and component parts: These items are significant, identifiable parts of an equipment item which do not function alone, but can be readily moved and used as a component of another equipment item. Accessories or components are acquired as part of another equipment item or acquired independently to be used as part of an item. Generally, these items should be considered as part of the basic equipment. Therefore, accessories and components of movable and sensitive minor equipment should be entered into the asset records as sub assets of the basic equipment item. Expenditures for these items should be recorded with the same G/L account number as was used for the related basic equipment.
- g. Replacement parts: Regardless of cost, replacement parts should be classified as "Maintenance and Repairs", and not as equipment. For example, if a motor for a piece of machinery is replaced at a cost of \$5,000, the item is properly classified as maintenance expense, and not as equipment. However, if a new machine is purchased to replace an old machine, the new item should be classified as equipment.
- h. Assembled equipment. This category includes equipment items assembled by the University from parts purchased independently. The cost of the assembled equipment will be the sum of the costs of parts used to assemble it. If the cost and nature of the new equipment item causes it to be categorized as movable or sensitive minor equipment/ furniture, then an asset number should be created for it.

### **3. Responsibilities**

**3.1** Generally, the University retains ownership and title of all equipment purchased with

University funds. Exceptions are equipment and furniture purchased with grant funds and written agreements where ownership is retained by or reverts to the funding agency. The University remains responsible and accountable for such equipment while it is in the University's custody.

**3.2** Custody and control of individual equipment items are delegated to individual departments and offices. The departments and offices are required to assign a person to be responsible for the cost center(s) and will be required to follow the University's established policies and procedures in the acquisition, use, maintenance and control of equipment in his or her department.

In the event of the change of the person responsible for the cost center(s), the department equipment and furniture inventory will be verified by the University Property Inventory Control's Office personnel. It will be the responsibility of his replacement to ensure that all the cost center(s) items are present before accepting responsibility of the custody of the department inventory.

**3.3** Equipment and furniture acquired by the University must be located, tagged with a University bar code inventory ID number and to be registered into the SAP system.

**3.4** The University departments and offices responsibilities: AUC departments and offices have the following responsibilities concerning equipment inventory:

- a. To maintain and control detailed inventory records for the department/office.
- b. To maintain physical control and upkeep over all items on the equipment inventory.
- c. To notify the Property Inventory Control Office when equipment is acquired without expense, such as by gift or assembly.
- d. To ensure that all the equipment allocated to the department are tagged and to notify the Property Inventory Control Office and to request duplicate tags when original tags have fallen off or become damaged.
- e. To notify the Property Control Office when equipment is transferred to another department, traded in, stolen or otherwise, became surplus or disposed of by transferring it to AUC warehouses.
- f. To verify (physically observe) the annual list of movable equipment inventory. The department should notify the Property Inventory Control Office of any corrections.

**3.5** Property Inventory Control Office responsibilities: The office has the following responsibilities concerning equipment inventory:

- a. In coordination with the controller's office fixed asset unit, maintain and control the University equipment and furniture inventory records and to update them.
- b. Assure that each department verifies and certifies the annual inventory list
- c. Tag all new purchased items and to provide a supply of tags that may be needed for the University departments and office use

**3.6** Uses of University property: University property shall be used only for official business. No employee of the University shall use for his or her own personal benefit or pleasure any such property except books and materials from the library and other such items of well-established use. Any off-campus use of University equipment must have proper authorization and prior written approval of the Property Inventory Control Personnel.

**3.7** Gifts of property or equipment: All gifts or offers of property or equipment to the University must be reported to the Inventory Property Control Office upon formal acceptance. When the Inventory Control Office is notified in writing of the acceptance, gifts will be given an inventory number and will be tagged, if possible.

**3.8** The University requires that all asset records include the location of the equipment items. This information is necessary to prepare reports required by auditors and cost allocations for facilities and administrative cost proposals. In addition, this information will assist departments in tagging equipment and conducting the required annual inventory.

To accomplish this, the University has established room number and building location codes for all University buildings. Departments must include room number and building location codes in all asset records representing the permanent location of the equipment items. In addition, departments are responsible for updating the location codes whenever equipment is permanently relocated.

**3.9** Internal fabricated items: Items fabricated by the University's workshops should be treated as purchased items, a requisition should be issued by the requester cost center to ensure that it will be registered in the University records.

**3.10** Equipment loaned to AUC by a vendor or an organization: Departments must submit a written list of the equipment to the Property Inventory Control office to have on file and must also report any changes to original list.

### **3.11** Rented or leased equipment

In some situations, it is more economical for the University to rent or lease equipment rather than purchase it. Under rental and lease arrangements, the payments should be classified as rental and not as equipment acquisitions. A written statement of the University's obligations and responsibilities concerning the equipment should be provided to the owner and a copy kept on file in the custodial department and the property inventory control provided that rental payments (or portions of payments) may be applied to the purchase price. In lease-purchase arrangements, the items should be treated as equipment.

If the title to leased equipment is subsequently transferred to the University upon completion of a lease agreement, the equipment may be properly recorded in the inventory system and tagged.

## **4. Equipment Inventory Custody and Maintenance**

**4.1** The equipment inventory is maintained on the University's accounting system and administered by the fixed assets unit of the controller's office. This system provides a means of entry, update, and retrieval of equipment information for controller's office personnel. The system allows departments to display and print out their cost center(s) inventory listing. In addition, departments may obtain an on-screen display of equipment data.

*The department head is responsible for seeing that University equipment in his or her custody and control is properly maintained and repaired so that its maximum useful life is realized.*

**4.2** An annual physical self-inventory is conducted by the cost center(s). A computer listing of all furniture and equipment registered for each department/office will be provided by the Inventory Property Control office. The list must be verified, noting specifically any exceptions and a signed copy to be returned to the Property Inventory Control office. The Property Inventory Control office staff will audit, investigate the updated data and prepare a final general report to be submitted to the University controller's office to adjust and update the SAP records in accordance with the University guidelines.

**4.3** Inventory Control personnel will be available to assist and advise departments that encounter problems during the physical self-inventory.

## **5. Instructions for Self-Inventory Count and Verification**

### **5.1** Items on the inventory listing with known physical location:

- a) For each item located, place a check mark to the left of the item.
- b) Review the description of the item. Changes should be made to the description to make it readily identified.
- c) Serial numbers should be verified or added if they are available. If the item has no serial number, "N/A" should be written in the field.
- d) Inventory bar code tag numbers should be affixed where possible and should be verified during the inventory process.
- e) If the item physically cannot be tagged, "Untagged" should be written in the field.
- f) If the bar code is missing, write "no BC."
- g) Building and room number should reflect the current location of the item.

### **5.2** Items on the inventory listing and not located:

- a) For each item not located, reference the attachment to the inventory listing that accomplishes the necessary action [transfer, surplus, etc.] for the item.
- b) If the item was transferred to another University department/unit: Attach a copy of the related equipment inventory transfer note or attach a new transfer note. The form is to be signed by both the transferring and receiving departments in order for the transfer to be processed.

- c) If the item was traded-in on new equipment: Attach a copy of the purchase order, invoice indicating trade-in value, or other documentation to confirm trade-in.
- d) If the item was stolen and reported to the security office: Attach a copy of the report.
- e) If the item found to be in surpluses, damaged, or destroyed during the fiscal year: Attach a copy of the transfer to warehouses form that was used to transfer the item[s] to the warehouse. [Form must be signed by the warehouse].

### **5.3 Items physically in your department but NOT on the inventory listing:**

If the item is not on the list, but meets the University's capitalization threshold or is considered sensitive minor equipment it should be added to the inventory. Some examples are:

- a) Equipment donated to the University
- b) Items manufactured or assembled internally by other University units.

In these cases, a WBS and new asset number will be created for the equipment. Complete a requisition form to provide information about the equipment and attach it with the completed inventory with the asset number. The Inventory control in coordination with the Procurement Service and Controller's office will arrange to record the item.

### **5.4 Items assigned for specific personnel use:**

If the equipment is assigned for the use of a specified person (laptops, mobiles, cameras, walkie-talkie, etc.), the personal custody form (Attachment A) has to be filled and attached with the report. Please ensure to add the following information:

- a) "Personnel ID No" Equipment must be assigned to an individual with a valid ID number as assigned by HR.
- b) Justification for assigning the item.

The results of the movable and capital equipment inventory and related documentation are to be returned to Property Inventory Control office before the predetermined date. And for more information, please contact the Material Management Director/Procurement office.

## **6. Inventory Control Procedures**

To assure that University inventory records and inventory control are maintained, the following procedures are set:

### **6.1 New Equipment and Furniture**

All movable equipment and furniture meeting the criteria for inventory control will be tagged with an AUC inventory bar code control number upon its arrival at central receiving or upon contacting the inventory control personnel.

For imported items purchased by the ASHA funds, it should be tagged with the related emblem. This is the responsibility of the accountable property personnel, to get the emblem from Property Inventory Control office.

## 6.2 Transfers

### a. Transfers between departments

Occasionally, one University department may wish to transfer used equipment to another department. After both the transferring and the receiving departments agree, both department heads are required to fill out and sign an internal transfer form. The form has to be sent to the Inventory Property Control office. The Inventory Property Control office will then arrange for adjusting the University records. University property must not be moved from one department to another without proper authorization.

### b. Transfers within the same department

Such transfers should be reflected on departmental inventory records. The department may change building and room numbers with a departmental memo to the Property Inventory Control office.

### c. Equipment lent to another department

Department loaning equipment to another department will maintain a written request on file which will include the inventory number, description and serial number, purpose of the loan and duration of loan.

## 6.3 Requesting used items from main stores

Departments can request used property from stores, the departments delegate should visit the University warehouses to select the needed items. He/she should initiate a requisition and submit it to the Property Inventory Control Unit for processing and approvals. The Property Inventory Control Personnel should arrange the physical transfer of the items to the requesting department by contacting AUC facilities and services.

## 6.4 Removal of University property from the premises

Generally, equipment must be used only for University business and may not be loaned to individuals, organizations, or faculty and staff members for personal use. Deviation from this policy requires written approval of the area head or the dean of the school. The request for approval should indicate the nature of the work to be performed; the kind of equipment to be used; and the extent of the equipment use.

- a. An exit permit is required before any University equipment or furniture may be removed from the campus. Whenever University equipment must be removed from University premises for official reasons, an exit permit is needed to be filled out and to be submitted to the University gates security staff. Removal of property without such written authorization is considered a security violation and may be considered misuse of funds.



If the University property is removed from the premises, the individual removing it must assume financial responsibility unless he or she is otherwise specifically relieved of such responsibility by the appropriate administrative personnel. Security personnel will challenge removal of AUC property by employees or service representatives who do not have a permit. University property or equipment may not be used for personal gain or in competition with private enterprise. University equipment may only be removed from University premises for purposes of University business.

- b. A permanent exit permit is issued for the department; whose nature of work requires frequent exit of their equipment out of campus. A permanent exit permit card will be issued for each item; this will be in custody of the accountable property personnel, who is in charge of requesting the permanent exit permit from Procurement/Property Inventory Control unit. Whenever the equipment needs to be transferred out of premises, this card should be with the equipment. The Property Inventory Control Office is responsible for issuing the permanent exit permits and it will be valid for maximum of six months.

### **6.5 Equipment to be discarded**

Departments are encouraged to return unused items to the University warehouses so that others may use it. When equipment becomes obsolete, broken beyond reasonable repair or otherwise useless, it has to be transferred to the University warehouses. The cost center personnel responsible for the equipment inventory should initiate the Equipment/Furniture Transfer Note and submit it to the Property Inventory Control office. The departments should arrange the physical transfer of the items to the University warehouses by contacting the AUC facilities and services.

### **6.6 Disposal**

The University departments and offices are not authorized to dispose of by sale or donation any equipment, furniture or material regardless of its value to any external or internal party. In order to maintain an accurate inventory system, corrections to the official inventory records must be made promptly to reflect items that have been surplusd, traded in, stolen, destroyed, damaged or transferred. The appropriate form should be completed and submitted to the Property Inventory Control office for removal from the University records. Equipment may be disposed of and removed from University records only for the following reasons:

- a. Trade-in equipment

University-owned equipment may be traded in to reduce the cost of replacement equipment. The department head must approve the trade-in and notify Procurement Services unit of the intent to trade in equipment before they obtain bids on replacement equipment. Departments may notify the Procurement Services unit by listing the equipment to be traded in on the purchase requisition. After obtaining bids, the Procurement Services unit should also list the equipment and its trade-in value on the purchase order issued. The purchase order will serve as documentation of the

authorized disposal of the equipment. A copy of the documents is to be sent to the Property Inventory Control office to delete the traded-in items from the department inventory records. The cost or estimated value entered into the University's accounting system for any new traded-in equipment should be for the full cost of the new equipment and not reduced by the amount of the trade-in. The Controller's Office will ensure that the cost of the new equipment is correctly reflected on the equipment records. When equipment is to be traded-in for new equipment, a description of the item or items to be traded-in, including the inventory number, shall be shown on the requisition for each purchase of such new equipment.

b. Exchanging of equipment

When new equipment is going to be replaced under a warranty terms, the Property Inventory Control must be informed to update the serial no of the equipment in the University records.

c. Damaged, missing or stolen property

Departments are required to report any damaged, stolen, or missing items as soon as required to the Property Inventory Control office for proper action.

c.1 Theft or mysterious disappearance

Departments are required to notify the Property Inventory Control Office within 24 hours of identifying missing equipment. Stolen property must be reported to the University Security office immediately upon identifying the theft so they can investigate or take appropriate action. The department head must send a completed set of the related documents with a copy of the security investigation report to the Property Inventory Control office after securing the area head approval to delete the equipment from the University records. A letter describing the circumstances of the loss should be attached.

c.2 Equipment destroyed or damaged beyond repair

If equipment has been destroyed or is damaged beyond repair, the item has to be sent to the University warehouses attached with a report to remove the equipment from the department inventory records. Before approving the form, the department head should verify the equipment has been damaged or destroyed.

c.3 Surplus property

University equipment that a department determines to be obsolete, outmoded or unusable may be declared surplus and disposed of by sending them to the University warehouses. See section 8 below.

## 6.7 Borrowed equipment

When equipment is loaned to the University for official use (e.g. exhibits or demonstration), such arrangements should be approved by the appropriate department or office who is organizing the event. A copy of the equipment list to be sent to the Property Inventory office and a copy kept on file in the custodial department.

#### **6.8 Personal equipment on University premises**

Personal equipment on University premises, such as in offices and laboratories, should be tagged or labeled by the University gates security staff to clearly indicate personal ownership. Unless there is a written agreement to the contrary, all personal equipment on University premises is at the owner's risk. The University's insurance coverage normally does not cover personal property, and the University cannot assume responsibility for its maintenance or upkeep.

### **7. Donations and Sales to Other Parties**

- a. Donations of items owned by the University that have value as determined by the Property Inventory Control Office (even if no value is recorded in the accounting system) may be made to individuals or public or nonprofit organizations (but not to for-profit corporations), at the discretion of the President, if the estimated value exceeds LE 50,000. If the estimated value is LE 50,000 or less, the approval of the VP for Finance and Chief Financial Officer is required.
- b. No University property can be sold to a private or for-profit organization except through organized auction or solicitation of bids.

### **8. Conflict of Interest**

This policy applies to all university employees who participate in any phase of the selling process, to provide guidance for the avoidance of conflict of interest.

Employees engaged in the selling function are expected to be free of interests or relationships that are actually or potentially detrimental to the best interests of the university. Employees shall not engage or participate in any commercial transaction involving the university in which they have a significant undisclosed financial interest.

No employee shall participate in the selection, award or administration of selling contracts or orders where, to that individual's knowledge, the individual or the individual's immediate family, partners, or organization has a financial interest or with whom that individual is negotiating.

Any employee engaged in selling who has assumed, or is about to assume, a financial or other outside business relationship that might involve a conflict of interest must immediately inform his director of the circumstances involved. This information is to be reviewed at an appropriate level for decision on whether a conflict of interest is present and, if so, what course of action is to be taken. A conflict of interest exists when an employee:

- a. Has an outside interest that materially encroaches on time or attention that should be devoted to the affairs of the university.
- b. Has a direct or indirect interest in a relationship with an outsider that is inherently unethical or that might be implied or construed to be, or make possible personal gain due to the employee's ability to influence dealings; render the employee partial toward the outsider for personal reasons or otherwise inhibit the impartiality of the employee's business judgment; place the employee or the university in an equivocal, embarrassing, or ethically questionable position; or reflect on the integrity of the university.
- c. Takes personal advantage of any opportunity that properly belongs to the university.
- d. Uses University property without approval.
- e. Discloses information confidential to a proprietary to the university to unauthorized persons.

## **9. Gifts to the University**

This policy applies to all the university community as guidance for the receiving of gifts-in-kind. Many individuals and companies make gifts to AUC in the form of items, service, and money. Donors should receive appropriate credit for their donations.

Units receiving such gifts should notify the Advancement and Communication Office and the Executive Director of Procurement office and provide them the name and address of the donor and a description of the gift. If a gift-in-kind has a known value, this should be indicated as well. The Advancement and Communication Office will take the appropriate steps to acknowledge the donation and to make sure the donor is on AUC's mailing list.

All requests for funding or gifts-in-kind, made to any external source, should be coordinated first with the Executive Director of Procurement office, and once approved, then with the Advancement and Communication Office.

## **10. Surplus Property**

### **10.1 Designating surplus property**

When a department determines University property (such as movable equipment, furniture, or supplies) to be obsolete, outmoded or unusable, that department may declare the property surplus and dispose of it by filling a transfer form and sending it to the University warehouses. The Property Inventory Control office, in coordination with the University warehouses, will manage the disposal and selling procedures.

The following departments are responsible for the allocation and management of property:

- a. Housing and Transportation Services: All residential (faculty and student) furniture and appliances; all cars, motorcycles, and other vehicles.
- b. Construction Services: All office, classroom, and public area furnishings, athletic equipment, building materials, and scrap.

- c. Information Technology: All electronic equipment, personal communication devices, etc.
- d. Office of the Provost: All non-electronic equipment and furnishings utilized for academic research and teaching (such as specialized lab or studio equipment).

### **10.2 Selling surplus property**

Any item that has been declared surplus may be sold according to the follow conditions:

- a. The director of construction services, the director of housing and transportation, and the director of information technology will establish a minimum inventory for their respective departments, which must remain available at the warehouse at all times. The office of the Provost, in consultation with the schools' deans, will similarly establish what kinds and levels of surplus equipment should be kept available. Any items in excess of this "lower bound" of stock are eligible to be sold through one of the methods explained in section 8.3, after notifying the concerned department.
- b. Any other property on campus that is sent to the warehouse will be managed by the office of Property Inventory and Warehouses Control.
- c. No property with a value in excess of USD 2,500 may be sold to a University employee (or group of employees). This will include all University vehicles and high-value laboratory equipment. Exceptions may only be made by the President.

### **10.3 Methods of sale**

The Property Inventory Control office must establish whether the surplus property can be used by departments or units at the University other than the originating unit. If it certifies that it cannot be, it will use the most advantageous disposal method among those listed here below:

- a. Sale to University employees through silent auction.
- b. Sale under sealed bids, publicly advertised and held. (University employees may not participate in such sales.)
- c. Negotiated contract for sale of surplus items between landlords of vacated faculty housing and the Faculty Housing Director, who has the authority to determine and accept the sale price.

Note: Departments within AUC can acquire surplus assets no later than 15 days prior to the day of the sale.

Sale of surplus items are done regularly for external buyers and twice a year for AUC faculty and staff.

#### **10.4 Sale to University Employees**

University employees with a valid AUC ID card who wish to purchase surplus goods will be permitted to visit the Warehouse Exhibition Room (or other display areas) for major sales events to be held approximately semi-annually, or when 200 m<sup>2</sup> of the warehouse is full.

Sales to employees will take place through a three-day silent auction, with each item to be awarded to the highest bidder at the designated closing hour on the final day of the auction. For computing and communications equipment, such as desktops, laptops, electronic tablets and mobile phones, which have a recorded book value of 0, a benchmark for sale is determined by the material management director in collaboration with the office of the Controller, based on a five-year depreciation for computers, three-year for electronic tablets and two-year for mobile phones. The value for the computing and communication equipment after the determined useful life, will be 20 percent from the acquisition cost. For other items, there will be no predetermined minimum price, except at the discretion of the material management director.

Highest bidders for each particular item at the end of the auction will be notified accordingly via email or phone call to pick up a collection advice at the office of the director of property inventory and warehouses control. They will have two working days to pay for the item at the CIB bank on-campus and retrieve it. They must then bring the proof of purchase from the bank to either:

- The office of Property Inventory (to retrieve smaller items), OR
- The warehouse (to retrieve large items)

If no receipt is provided and the item remains at the warehouse after two working days, the sale will be canceled and the item will be awarded to the next-highest bidder.

#### **10.5 Sale to External Parties**

Any items that are not acquired by departments, and not sold in the sales to the University employees as described in section 10.4, will be eligible to be sold to external buyers through sealed bids (closed envelope). For sales with estimate aggregate sale amount exceeding LE 10,000, the contracted external evaluator is required to inspect the sales lots and provide a sale estimate for each lot.

Sales with estimate aggregate sale amount exceeding LE 100,000 must be publicly advertised and publicly held. The Property Inventory Control office, or the contracted external evaluator, must advertise the sale in at least one newspaper of general circulation describing the date and conditions of the sale. Exceptions to this policy may be made at the discretion of the director of property inventory and warehouses control (for example, see section 10.6 on scrap items).

Items offered may include computers, electronics, furniture, office equipment, scientific equipment and vehicles. Items are located and sold on University premises – either at AUC Tahrir Square, the Warehouse at AUC New Cairo, or Housing stores at Maadi. Individuals may

view items any working day from Sunday to Thursday from 9:00 am to 2:00 pm during the sales period announced.

Highest bidder(s) can checkout and pay at any time not later than two business days after the envelope-opening session to the CIB bank branch on the University premises, with pick-up due by 2:00 pm on the day following the payment. The pick-up of purchased items can be delayed for no more than three business days by making arrangements with the warehouse staff, but payment must still be made on the assigned days as soon as the envelopes are being opened.

Items are offered as is, with no guarantees implied or made. All sales are final. When assets are removed from AUC premises and handed to the buyer, the sale is final. Buyers should verify their receipt against the property received before leaving the sale area.

External buyers must use one of the following payment methods when purchasing surplus property:

- a. Cash
- b. Certified check
- c. Bank draft

#### **10.6 Sale of Scrap Items**

Minor scrap items (value less than or equal to LE 2,000) may be sold directly to one of the registered buyers of the Property Inventory and Warehouses Control office database.

If scrap is put up for sale twice and remains unsold, then the Property Inventory and Warehouses Control office will contact a garbage collector to remove it. The office of Facilities and Operations and the office of Environmental Health and Safety will be granted the joint authority to remove any scrap that poses a potential threat to the safety of site where it is located.

#### **10.7 Employees Leaving the University**

AUC employees who retire or resign are permitted to purchase select personal devices under the following conditions:

- a. Employees who wish to purchase their personal devices must confirm with their respective department head that the device is eligible for purchase. The department head must send his or her approval to the director of property inventory and warehouses control.
- b. Only the devices listed below are eligible for purchase by employees, according to the following timeframe:
  - i. Mobile phones: after two years of use
  - ii. Tablets: after three years of use
  - iii. Laptop Computers: after five years of use
  - iv. Desktop Computers: after five years of use

- c. The employee should bring the device to the director of property inventory and warehouses control. Its value will be determined according to the method described in section 10.4.
- d. The office of Property Inventory and Warehouses Control will issue a collection advice to the employee, which the employee must take to the CIB bank on campus in order to pay.
- e. Immediately after issuing the collection advice, the director of property inventory and warehouses control will take the device to UACT for cleaning of any sensitive business information.
- f. The employee must bring a receipt (proof of payment) from CIB to the director of property inventory and warehouses control. He or she will then return the device to the employee and this will be communicated with the controller's office to erase its SAP fixed asset number from the system.

Note: No other items other than those listed above (i.e. personal devices) will be eligible for purchase by AUC employees upon their departure from the University. Items such as printers, scanners, landline phones, furniture or other supplies belonging to the office are ineligible for purchase.

### **10.8 Faculty Leaving the University**

AUC faculty members who are moving from an AUC-owned or leased faculty housing apartment may be permitted to purchase AUC furniture and equipment he or she has used during their stay in such apartments. The faculty housing director has the authority to approve such sales and will make a determination of price based on fair market value.

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## **Forms/Instructions**

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### Forms

- A. Personal Custody Form: To be used for the follow up of the items assigned for specific personnel use:  
[https://documents.aucegypt.edu/docs/offices\\_Supply\\_Forms/PersonalCustodyDeclarationForm.pdf](https://documents.aucegypt.edu/docs/offices_Supply_Forms/PersonalCustodyDeclarationForm.pdf)
- B. Transfer Note (on-line form): Whenever equipment is disposed of, transferred from the department/office to another department/office or to the University warehouses, became a surplus, or removed from departmental custody or control, the department/office should send this form to the Property Inventory Control office to remove equipment from the department inventory record: <https://forms.aucegypt.edu/scm/transfer.html>
- C. Warehouses Used Items Requisition (on-line form): This form to be used whenever the University departments/offices needs to request used items from AUC warehouses:  
<https://forms.aucegypt.edu/scm/Requisition.html>



- D. Damaged, Missing or Stolen Equipment Form: This form is used to report all disappearances of equipment and is completed by the University security:  
[https://documents.aucegypt.edu/docs/offices\\_Supply\\_Forms/Damaged,%20Missing%20or%20Stolen%20of%20an%20AUC%20Property%20Form.pdf](https://documents.aucegypt.edu/docs/offices_Supply_Forms/Damaged,%20Missing%20or%20Stolen%20of%20an%20AUC%20Property%20Form.pdf)
- E. Inter-transfer Form: This form is used to transfer equipment and assets between departments:  
[https://documents.aucegypt.edu/docs/offices\\_Supply\\_Forms/Inter-TransferNoteForm.pdf](https://documents.aucegypt.edu/docs/offices_Supply_Forms/Inter-TransferNoteForm.pdf)
- F. Exit Permit Form (on-line form): This form is used to record the equipment or assets that are required to exit from AUC: <https://forms.aucegypt.edu/scm/exitpermit.html>
- G. Personal Custody Receiving Form: This form records the transfer of equipment custody from one staff member to the other:  
[https://documents.aucegypt.edu/docs/offices\\_Supply\\_Forms/PersonalCustodyReceivingForm.pdf](https://documents.aucegypt.edu/docs/offices_Supply_Forms/PersonalCustodyReceivingForm.pdf)
- H. Housing Transfer Form (on-line form): This form is used to transfer assets from AUC housing apartments to AUC housing stores:  
<http://forms.aucegypt.edu/scm/housingtransfer.html>
- I. Housing Requisition Form (on-line form): This form is used to transfer assets from AUC housing stores to the AUC housing apartments:  
<http://forms.aucegypt.edu/scm/housingrequisition.html>
- J. Authorization Form: This form authorizes the staff member to handle the department/office logistics:  
[https://documents.aucegypt.edu/docs/offices\\_Supply\\_Forms/AuthorizationForm.pdf](https://documents.aucegypt.edu/docs/offices_Supply_Forms/AuthorizationForm.pdf)

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## Related Information

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AUC Capitalization & Depreciation Policy:

<https://documents.aucegypt.edu/Docs/Policies/Capitalization%20%20Depreciation%20Policy%20as%20of%20Dec%206%202016.pdf>

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## Appendices *(optional)*

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- I. Addendum - Sale to External Parties (10.5)  
II. Addendum – Selling Surplus Property (10.2 – 10.4)

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## History/Revision Dates

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Origination Date: October 2014

Last Amended Date: February 2020

Next Review Date: February 2021

**Appendix I**

**Policy Addendum - Sale to External Parties (10.5)**

This policy addendum to be implemented on a trial phase for two upcoming sales to determine whether to continue or make further amendments:

**10.5A- Identifying a reasonable accepted tolerance percentage for the evaluations vs. the actual bids received; this percentage is to be reevaluated as needed**

According to PIWC historical sales, a tolerance percentage has been formulated to be used, based on the cluster and amount of each sales lot and according to the following scenarios:

**i. Received highest offer is less than the external evaluator estimate:**

The related sale will be processed if the tolerance percentage of each lot is within the following:

**Offer < Estimate**

Cluster	Tolerance % per Lot Amount	
	<= 150K	>150K
Equipment / Machinery	-20%	-10%
Furniture	-20%	-10%
Scrapped Assets & Materials	-20%	-10%
Vehicle	-10%	-5%

**TABLE 1**

- If the difference between the highest offer and the external evaluator estimate exceeds the above-stated percentage, we will obtain internal estimates from the concerned AUC departments – without revealing the received offers to any party – where the internal estimates are to be received by the MM Director within 4 working days from bids opening.
- If the difference between the highest actual offer and the higher estimate (of both the external and internal estimates) is within the above-stated percentage, the sale of the related lot/s will be processed.

- If the difference between the highest offer and the higher estimate exceeds the above-stated percentage, we will negotiate with the successful bidder to raise his offer to be close to the higher estimate and to be within the tolerance stated above, then we will obtain the professional opinion of the concerned department to confirm that the final difference is logic; otherwise, we will obtain the approval of the top management as to whether proceed with the sale of those related lots against the final price, or to cancel and re-tender.

**ii. Received highest offer is greater than the external evaluator estimate:**

The related sale will be processed if the tolerance percentage of each lot is within the following:

**Offer > Estimate**

Cluster	Tolerance % per Lot Amount	
	<= 100K	>100K
Equipment / Machinery	60%	40%
Furniture	60%	40%
Scrapped Assets & Materials	60%	40%
Vehicle	40%	20%

**TABLE 2**

- If the difference between the highest offer and the external evaluator estimate exceeds the above-stated percentage, we will obtain internal estimates from the concerned AUC departments – without revealing the received offers to any party – to make sure that the related lot does not worth more than the higher offer, where the second estimates are to be received within 4 working days from bids opening.
- If the difference between the highest offer and the higher estimate is within or exceeds the above-stated percentage, the sale of the related lot/s will be processed.
- If the difference between the highest offer and the higher estimate becomes with a negative %, we will negotiate with the successful bidder to raise his offer close to the higher estimate; otherwise, we will obtain the approval of the top management as to whether proceed with the sale of those related lots against the final price, or to cancel and re-tender.

**10.5B- Obtaining comparative figures from internal departments for the items to be sold**

PIWC will obtain internal estimates to be received by MM Director within 4 working days from bids opening, in case there is a variance exceeding the set tolerance percentages (Tables 1 & 2) between the highest actual received offer and the external evaluator’s estimate

*An exemption could be provided by VP for Finance and Chief Financial Officer on exceptional basis to waive having internal/external estimates beforehand for sales of items which will require pre-operation process to make it ready for sales in the form AUC desires.*

#### **10.5C- External Evaluator Performance / Payment**

In order to secure AUC interest, the performance of the contracted external evaluator will be evaluated according to set KPIs – including but not limited to the below:

- Compliance with advertisement timing.
- Compliance with inspection timing.
- Provide required estimates on time.
- Provided estimates are within the set tolerance percentages (table 1 & 2).

The external evaluator's fees will be paid provided that his performance is proven to be satisfactory - including but not limited to the below:

- The difference between his estimate and the highest offer is within the percentages stated above, or
- The difference between his estimate and the internal one, in case of obtaining internal estimates, is within the percentage stated above.

#### **10.5D- Sale of Junk items inside the open yard**

The sale of the junk items available inside this yard will be processed separately on a frequent basis through contacting external buyers, already available on PIWC buyers' list, who will inspect and provide their offers in closed envelopes. Award will be made to highest offer submitted, and none of the above-mentioned policy terms will be applied on such sales of junk items.

#### **10.5E- Obtaining Working Conditions of Retired Assets before receiving into the warehouse**

In order to have best evaluation estimates and best sales offers reflecting close-to-actual sales prices, Property Control will develop a new process related to the condition/performance of the used assets, to be applied on each and every used asset transferred by departments to the warehouses to be sold, where the on-line transfer form will be amended to include the following – as example:

CLUSTER	Type	Owner	Condition (Working / Damaged)	Sale Status	Dept. Confirmation to sell without further approvals
Equipment / Machinery	IT equipment (already in place)	IT Assessment		To be re-used by AUC Dept.	
				To be sold as a working item	
				To be sold as scrap	
Vehicles	Vehicles (already in place)	Transportation		To be re-used by AUC Dept.	
				To be sold as a working item	
				To be sold as scrap	
Furniture	Housing Furniture	Housing		To be re-used by AUC Dept.	
				To be sold as a working item	
				To be sold as scrap	
Furniture	Office Furniture	F&O		To be re-used by AUC Dept.	
				To be sold as a working item	
				To be sold as scrap	
Equipment / Machinery	Housing Appliances	Housing & F&O		To be re-used by AUC Dept.	
				To be sold as a working item	
				To be sold as scrap	
Equipment / Machinery	Audiovisual	CTMS		To be re-used by AUC Dept.	
				To be sold as a working item	
				To be sold as scrap	
Equipment / Machinery	Scientific	Lab Technician		To be re-used by AUC Dept.	
				To be sold as a working item	
				To be sold as scrap	
Equipment / Machinery	Athletics	Athletics		To be re-used by AUC Dept.	
				To be sold as a working item	
				To be sold as scrap	

TABLE 3

Any exception to the above-mentioned amended policy is to be approved by VP for Finance and Chief Financial Officer – or to whom the authority will be delegated – before proceeding forward.

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## Appendix II

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### Temporary Amendment to Selling Surplus Property Policy (10.2 - 10.4)

The purpose of this temporary amendment (“Temporary Amendment”) is to allow the American University in Cairo (“AUC”) employees to participate in the bidding process for selling AUC’s surplus cars and equipment.

This Temporary Amendment will be implemented on a trial phase for two upcoming sales. Afterwards, the American University in Cairo (“AUC”) will determine whether to extend the implementation period of this Temporary Amendment, cancel the Temporary Amendment, or make further amendments.

#### Clause 10.2 Selling surplus property

Section 10.2 (c)- *“No property with a value in excess of USD 2,500 may be sold to a University employee (or group of employees). This will include all University vehicles and high-value laboratory equipment. Exceptions may only be made by the President.”* - is hereby deleted in its entirety.

#### Clause 10.3 Methods of sale

Section 10.3 (a) is hereby amended to read as follows: “Sale to University employees through silent auction, or under sealed-*bid* auction”.

### 1. Section 10.4 (b) is hereby added to read as follows:

#### 10.4B Surplus Cars

##### I. Surplus Cars

1. AUC Carpool will provide a list of cars details with a preliminary technical report (car checklist) for each used car offered for sale.
2. AUC’s External evaluator will provide an estimate for each used car, which will be used as a starting selling price.
3. Sale will be made through Sealed-Bid Auction.
4. AUC will make an announcement to AUC employees for the sale of AUC used cars– a link will be available for cars’ details (incl. technical status and starting selling price for each car), sale terms/instructions, photos ... etc.

##### II. Inspection:

1. Inspection will take place at AUC garage, or any other location AUC deems appropriate.
2. Entrance to the inspection yard is only allowed to AUC employees having a valid ID.
3. Cars are not allowed to be moved from their location during inspection.

**III. Bidding:**

1. Only current AUC employees are eligible to participate in the bidding exercise.
2. Interested employee is required to pay an insurance deposit at the AUC Cashier. This deposit will be deducted from the final sale amount of the awarded bidder. Insurance Deposit will be refunded to the non-awarded bidders.
3. Each employee is allowed to bid for one car (lot) only. Bids received on more than one car will be rejected.
4. Bid must state clearly the employee's name, ID number, and the proposed price in both numbers and words. Bid must be submitted in a sealed envelope to the Procurement office responsible personnel, who will keep all sealed envelopes in a closed box and record bidders' names and ID numbers in an excel sheet.
5. Sealed envelopes must include the following:
  - Copy of the employee's AUC ID card.
  - Copy of the insurance deposit payment slip.
  - Original stamped bid form (stating one lot only) signed by the employee.

**IV. Awarding:**

1. A committee comprising of Property Control, Procurement, Controller's office (the "Committee") will be assigned to open the bids, record all bids amounts in the excel sheet prepared by the Procurement personnel. Internal Audit Office may attend as an observer to the process. The Office of the General Counsel and Compliance will attend the committee sessions during the trial phase.
2. Awarding will be made to the highest bidder in each lot. The Committee may postpone or cancel the bidding process at any time.
3. Awardee will be notified to pay the lot amount (after excluding the paid insurance deposit) within 5 working days.
4. In case the awardee fails to pay the lot amount within the set date, the related paid insurance deposit will be reserved (withheld) and not refunded.
5. In case two or more employees provide the same highest amount for the same car, an open auction session will be held in the presence of those employees and the sales committee members to determine the final awardee with the highest sale value.

Highest bidders for each particular item will be notified accordingly via email or phone call to pick up a collection advice from the office of Property Inventory and Warehouses Control. They will have five working days to pay for the item at the CIB bank on-campus, then bring the proof of payment from the bank to the office of Property Inventory and Warehouses Control.

If no receipt is provided after five working days, the sale may be canceled and the car may be awarded to the next-highest bidder.

**V. Sales contracts:**

- a) The office of the General Counsel and Compliance (Legal office) will arrange with the Notary Public for issuing a notarized sale contract in the name of The awarded employee who fully paid the price of the sold car. No Power of Attorneys will be issued in favor of awarded employees.
- b) The awarded employee shall be responsible for paying the notarization fee including the Notary Public fee and the Egyptian Bar Association fee. The full purchase price will be stated in the Sale Contract.

The awarded employee who paid the total purchase price of the car/s will not be entitled to claim for any refund, or to return the purchased car/s, as the sale will be considered binding and final once the total purchase price is paid.