

**THE CALIFORNIA STATE UNIVERSITY**  
**Office of the Chancellor**  
**400 Golden Shore**  
**Long Beach, California 90802-4275**

**(310) 985-2800**

**Date:** February 15, 1996

**To:** Presidents

**From:** Barry Munitz   
Chancellor

**Subject:** Safeguarding State Property — Executive Order No. 649

I am transmitting to you a copy of Executive Order No. 649, "Safeguarding State Property."

In accordance with policy of The California State University, the campus President has the responsibility for implementing Executive Orders where applicable and for maintaining the campus repository and index for all Executive Orders. Questions concerning this delegated process should be directed to Mr. George A. Pardon of the CSU Accounting Department at (310) 985-2900 or E-Mail: [george\\_pardon@qmbridge.calstate.edu](mailto:george_pardon@qmbridge.calstate.edu).

BM:rp

Attachment

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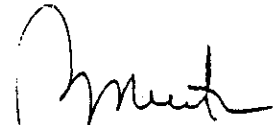
**Distribution:** Vice Presidents, Academic Affairs  
Chief Financial Officers  
Chancellor's Office Staff  
Vice Chancellors

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Executive Order No.: 649  
Title: Safeguarding State Property  
Effective Date: February 15, 1996  
Supersedes: No Prior Executive Order

Authority is hereby delegated to each campus president to establish and maintain a system of internal controls to safeguard state property. The authority and responsibility are consonant with the principles of the Financial Integrity and State Manager's Accountability Act of 1983 (Government Code Section 13400 et seq.). "State property" as used in this executive order means personal property owned by the state, sometimes referred to as noncapitalized state property, and includes machines and equipment which are not permanently attached to and incorporated in state buildings and grounds. The president may elect to continue to follow the State Administrative Manual guidelines (e.g., Section 8651) or may institute a policy more appropriate to the university's environment. If the campus elects the latter option, the following issues should be considered in the development of the policy:

1. *Environment*: The campus environment should be reviewed to evaluate such factors as control consciousness of personnel, general security of buildings, and student access to equipment.
2. *Historical Losses*: The circumstances surrounding past losses of state property may identify situations requiring special attention and remediation.
3. *High Risk Property*: Some state property may pose a special risk of loss due to its marketability and portability. The nature of the risk may vary from campus to campus, based on individual circumstances. Thus, the policy should identify or define such property. It is expected that an effective policy would likely include tagging and inventorying all high risk property with an acquisition cost of at least \$500.
4. *Cost Versus Benefit*: The cost of the system of internal controls should be less than the value of the resulting benefits. Increased costs would include such policy implementation costs as the labor for tagging, recording and inventorying property. The resulting benefits include reduced costs from losses of property.

  
Barry Munitz, Chancellor

Dated: February 15, 1995