

Title: Control of College Property

☐ Initial Action:
☐ Board Agenda: 97-062, 00-117, 23-031
☐ Last Revised:
 ☐ Policy: 05/11/2023
 ☐ Procedure: 05/11/2023
☐ Last Reviewed: 05/11/2023
☐ Effective: 06/29/2023
☐ Next Review: 5/11/2026
☐ Responsibility: Finance

Policy:

An annual physical inventory shall be conducted of all assets owned by the College with an established value greater than or equal to \$10,000 with the exception of grant funded assets which may have lower capitalization limits. In addition, the Information Technology Department shall conduct an annual inventory of computer and audio-visual equipment.

Procedure:

Responsibility:

1. Vice President of Finance and Administration

Responsibility for all records and reports of equipment and other property owned or in use at the College resides with the Vice President of Finance and Administration as Chief Financial Officer of the institution. The Vice President shall insure that inventory records are periodically updated for purchases and dispositions as well as overseeing the required physical inventory of assets. The Vice President may require more frequent inventories as needed.

2. Purchasing Department

Responsible for the daily administrative tasks associated with controlling and monitoring College assets, keeping records up to date, general data collection, and completing the annual physical inventory of assets.

3. Finance

Controller responsible for overseeing reconciliation of inventory records for annual audit.

4. All Units

Ownership of real and personal property rests with the College rather than with a unit, office, or employee. However, budget managers will be held responsible for the proper use and security of property within their units. The budget manager has the responsibility for notifying Administrative Services whenever any property is lost, stolen, or the status of that property is changed in any way. (See Disposal of Surplus Property Policy and Procedure.) Budget managers shall assist Finance as directed in conducting physical inventories.

College property that is stored or in use off-campus is subject to periodic physical inventory and inspection. Budget managers will be held responsible for assuring proper use and security of off-campus property as well as maintaining a current listing of off-campus property, its current location, and the purpose for which it is being used or stored off-campus.

5. IT Responsibility

See attached document

Classification of college property:

A. Real Property:

1. Land--Includes all land that is purchased or acquired by gift or bequest.
2. Buildings--Consists of all structures used for operating purposes. Included are all permanently attached fixtures, machinery, and other components that cannot be removed without damaging the building. Significant structural changes to the building that increases its usefulness, efficiency, or asset life should be added to the established value of the building.
3. Leasehold Improvements--Includes significant structural improvements to real property leased by the College, such as renovation and electrical upgrade.
4. Improvements Other than Buildings--Includes all improvements to land other than Buildings, such as streets, parking lots, sidewalks, fencing, outdoor lighting, landscaping, and athletic fields.

B. Personal Property:

1. Equipment--Consists of all moveable property of a permanent nature such as artwork, audiovisual; computers and computer equipment; furniture; instructional equipment; and vehicles. To be considered an asset, the equipment must meet all of following criteria:
 - a. Historical cost or other approved established value of \$10,000 or greater per item. If a group of items is purchased, such as ten chairs, each item

(each chair) must have an established value of \$10,000 or greater. Purchase costs of the individual items are not aggregated to determine the established value. However, all costs associated with placing the unit of equipment into use (for example, shipping and installation costs) are counted toward the established value.

- b. Expected useful life of five or more years.
 - c. An identity that is not materially altered through use; and the identity are not lost through incorporation into another unit or substance; such as computer hard drives or memory.
- 2. Library Collections--Includes books, periodicals, CD's, DVD's, videos, etc. Library personnel are responsible for maintaining records of the library collections and such records need not be duplicated in the inventory records.
 - 3. Computer software--Consists of individual applications (or licenses) purchased from a vendor or produced by College personnel. Software will only be considered an asset if an individual software application's established value exceeds \$10,000.
 - 4. Sensitive equipment--Certain equipment with an original acquisition value of less than \$10,000 (i.e. digital cameras) may be inventoried, however, it is the responsibility of each department to maintain a tag of that equipment and perform an annual inventory.

Exceptions:

Property not meeting the above conditions may be considered an asset under special conditions, such as property purchased under a government grant or contract which specifies a minimum capitalizable value of less than \$10,000 and/or a useful life of less than five years.

C. Valuation of Assets

- 1. The established value shall be based on the purchase cost of the property including all costs necessary to render the property ready for use. If purchase cost is unknown, historical costs and acquisition dates will be derived using accepted appraisal methodology. In the case of property acquired by gift or bequest, the established value shall be recorded at the fair market value at the date of the gift or bequest. The library collections will be aggregately valued at estimated historical costs.

D. Forms Used in Property Control:

1. Asset Addition--The Purchasing Department uses this form to properly identify assets that come into the possession of the College. Minimum information to be collected on each asset includes Asset Type; Asset Cost; Source of Funds; Description; Model and Serial Numbers if applicable; Inventory Tag Number; and the location of the asset including Campus, Department, Building, and Room Number.
2. Request for Asset Disposal--See Disposal of Surplus Property Policy and Procedure. This form is to be used when surplus property has been identified for disposal.
3. Request for Intra-College Transfer of Asset--This form is to be used to notify the Purchasing Department that an asset is being re-allocated for use within the College when the asset is to be used for its original purpose.
4. Notification of Missing Assets--Persons who are responsible for assets and discover that those assets are missing should complete this form immediately and submit it to the Purchasing Department so that an attempt at recovery can be made and an insurance report submitted. An investigation will occur; and if circumstances warrant, a police report will be filed.

E. Inventory Tags:

1. Inventory tags are to be attached to College property (when practicable and physically possible) that has been determined to be an asset by the College; that has been declared by the Vice President of Finance and Administration to be sensitive to conversion; or that has been declared to be an asset by a granting or contracting agency.
2. Inventory tags are not to be removed from an asset without permission of the Purchasing Department. In the event that an inventory tag becomes inadvertently detached from the asset, the tag must be returned promptly to the Purchasing Department. Also, if an inventory tag is discovered to be missing or damaged, the Purchasing Department shall be promptly notified for replacement of tag.
3. Inventory tags are to be placed in a visible and consistent location on the asset to deter theft and to facilitate the physical inventory of assets.
4. Inventory tags are to be placed on the asset by the requesting department. Purchasing will provide an asset tag to the requester once the item has been received.