



Administrative Policies and Procedures

Procedure Number	Subject	Effective Date	Revised Date
AM-1.3.01	Asset Management Procedures	06/07/2004	

I. Overview

The Property Office is responsible for the recording, reconciliation and accountability of all fixed assets for the College. An annual inventory of all College tangible property over \$3,000 is required and coordinated by the Business Office Property Accountant. Property Custodians are responsible for assisting the Business Office Property Accountant in the reconciliation of un-located equipment during this annual inventory process. The Business Office Property Accountant is responsible for assigning decals, recording and reporting of acquisition cost on the Property Master File for building, alterations and improvements, construction in progress, equipment, other fixed assets, books and software.

II. Introduction

The purpose of this section is to provide for the requisitioning, receiving, identifying, accounting, and disposing of College property.

III. Basic Property Terminology

- **Abandon Property** – this is any tangible personal property that does not have an identifiable owner. This property has been disposed on public property in a wrecked, inoperative, or partially dismantled condition or which has no apparent value to the rightful owner.
- **Accountable Officer** – The individual to whom custodian accountability has been delegated and is under the supervision of a custodian’s delegate. Also, the Primary Investigator administering a contract or grant is the accountable office for property acquired by or assigned to the contract or grant project. An Accountable Officer is typically a department head or someone who has been specifically designated by a department head and has been given signature authority for a department.
- **Attractive Property** – Property that has the same characteristics as “property”, but is less than \$3,000 in value. These are items such as cameras, watches, cell phones, laptop computers, etc., that by nature are physically small in size and subject to conversion for personal use.
- **Cost** – the acquisition or procurement cost (i.e.: invoice process plus freight, installation charges less any discounts plus attachments and trade-in value received, if any).
- **Custodian** – an individual who is responsible for property owned by the State.
- **Custodian’s Delegate** – an individual who has been delegated by the custodian as having immediate control of and accountability for specific items of property. For the College, a custodian’s delegate is that appointed officer having supervisory responsibility over a specific group of accountable officers/project directors.
- **Inventory Taking** – once a year and whenever there is a change of a custodian. The Property Section staff conducts the physical inventory with the assistance from departments.



- **Property** – equipment, fixtures, and other tangible personal property of a non-consumable and non-expendable nature, the value or cost of which is \$5,000 or more and the normal expected life of which is one year or more.
- **Property Accounting Section** – a section within the Business Office that is responsible for the accounting of all College property.
- **Property Manager** – an employee in the Business Office who supervises the daily operations of the Property Section.
- **Small Value Property** – this group comprises equipment that costs between \$3,000 and \$4,999.99. This equipment is to be inventoried but falls below the threshold of capitalization.
- **Surplus Property** – surplus, state-owned, tangible personal property that is determined to be surplus because it is excess, obsolete, uneconomical or inefficient for continued use. The Accountable Officer will report this property as surplus to the Property Accounting Section who will in turn report it to the Department of Administrative Services (DOAS).
- **Taggable Property** – it is important to note that all furniture and equipment costing \$3,000 and over is assumed to be “taggable” (i.e.: requiring property decals) and added to the PeopleSoft Asset Management System.
- **Tangible Personal Property** – all personal property, other than real estate, acquired by and belonging to the University System of Georgia.

IV. Property Acquisition Methods

- a. **Purchase** – Property procurement must be made in compliance with applicable State Statutes and Regulations and in accordance with the established policies and procedures of the Purchasing Department. Freight, installation, and other charges incurred in securing the item(s) are included in the acquisition cost. These costs will be considered in determining whether a purchase is expensed or capitalized. Georgia Statute defines property as equipment, fixtures and other tangible personal property of a non-consumable and non-expendable nature the value or cost of which is \$5,000 or more and the normal life expected is one year or more. Equipment may only be purchased on a purchase order. When purchasing items that will add value to an existing property item, the decal number must be included on the requisition.
- b. **Bequests, Gifts and Donations** – Items acquired in this manner must be reported to the Property Manager’s Section of the Business Office for record posting. The notification of acceptance of a bequest, gift or donation should have the description, the location, the estimate of the current fair market value, the name of the receiving department, and the name of the individual in the receiving department who accepted the donation.
- c. **Fabrication** – Equipment, a portion of which was fabricated from materials and/or property purchased from College funds, is the property of the College and must be reported to the Property Section for processing in accordance with College property procedures.
- d. **Loan, Rent, Lease** – Property acquired in a rental or lease agreement is not property in the sense of this policy since the College acquires “use” only and, in some instances, the right to purchase, but not the title to the property. Where such property is not acquired through the normal activity of the Purchasing Department, the representative of the college taking physical possession must report the acquisition to the Property Section. The Property Section is responsible for determining responsibility with regard to insurance, protection from loss or other accountability. A written lease agreement should be executed



and signed by a College Official with contracting authority and a copy forwarded to the Property Section.

- e. Exchange / Trade-in – Property acquired through an exchange / trade-in is subject to the following College procedures for processing newly acquired property:
 - i. The Department is required to complete a Property Survey form and forward the completed form along with all required signatures to the Property Section for approval by the President’s Cabinet. Survey forms are available from the Property Section.
 - ii. When the completed form is received by the Business Office, the Property Section will request permission for the item(s) to be exchanged / traded-in from the President’s Cabinet. When the votes are tabulated, the Property Section will send a copy of the original form or send an e-mail notifying the department that the exchange / trade-in was approved or not approved.
 - iii. The Department will attach a copy of the approved Property Survey form to the purchase requisition and forward to the Purchasing Department for processing. The property decal number(s) of the item(s) being exchanged / traded-in must be included on the requisition. Purchase requisitions that include an exchange / trade-in will not be processed without the attached authorization.
 - iv. Procedures for the return of defective or incorrect items to the vendor for replacement or repair are available through the Purchasing Department.
- f. Discovery – Untagged items that meet the definition of property or items that are tagged and not reported on the department’s inventory list should be reported to the Property Section who will then determine who the Accountable Officer is for the property and have that person initiate a Property Transfer Form or reclaim the property.

v. Property Identification

- a. Identification of Property – Central Receiving is responsible for tagging all property received costing \$3,000 or more. The Property Section prints and provides Central Receiving the BC tags for this purpose.
 - i. Location of Tags – Tags should be uniformly located on similar types of property and should be in an easily scannable and accessible location.
 - ii. Type of Tags – The College uses numerical tags to identify property. Each tag is 7-digits long and starts with Bainbridge College. This is followed by “000” and the last 4-digits is the property number of that particular item.
- b. Property Record Form – Central Receiving prepares a property record form on each item that is tagged with a BC Tag. The property record form has the tag number, purchase order number, vendor name, serial number, description, received date, amount, and any other information that is available. The completed property record form is forwarded to the Property Section and recorded in the PeopleSoft Asset Management Accounting Subsystem.

VI. Property Transfers

- a. Change in Accountability – A Property Transfer Form is to be completed when property items are transferred between College Departments. The form is to be initiated by the transferring department and must be signed by both the transferring and receiving Accountable Officers then forwarded to the Property Section. Failure to promptly process this document will result in inaccurate



property records and the transferring department will not be relieved of its custodial accountability. The Property Transfer Form is available from the Property Section.

- b. Change in Location – an e-mail message to the Property Section will suffice in changing the physical location of the equipment but will not relieve custodian responsibility. Please include the property tag number and the new location.

VII. Off-Campus Use of Property

The College has established specific guidelines for the removal of equipment from the College premises for official use by College personnel and students. These guidelines specify that departments shall use the following two property forms:

- (1) Department Equipment Checkout Log (for periods of 1 to 10 days)
- (2) Equipment Checkout Form (for periods in excess of 10 days). Research equipment that is removed from campus and returned on a daily basis is exempt from these guidelines. Checkout forms may be obtained from the Property Section.

Equipment approved and removed from campus must be made available for the College's annual physical inventory.

- a. For Periods of 1 to 10 Days – each department will be responsible for maintaining a Departmental Equipment Checkout Log on equipment that is removed from campus. This log must be available for review upon request by the Property Section. This equipment must be returned to campus upon request by the Property Section for annual inventory purposes.
- b. For Periods in Excess of 10 Days – Prior to the removal of equipment in excess of 10 days, an Equipment Checkout Form must be completed and forwarded to the Property Section. The Accountable Officer's signature conveys permission to remove the equipment from campus. All College owned equipment must be returned to campus upon an employee's separation from the College. Once the equipment is returned, the checkout form is to be signed by the Accountable Officer and forwarded to the Property Section. This equipment must be returned to campus upon request by the Property Section for annual inventory purposes or an inventory certification will be sent to the user to verify possession of property and its location. This form must be updated, signed and returned to the Property Section in a timely manner.
 - i Short Term – The Accountable Officer may approve the Equipment Checkout Form for equipment that is to be removed from campus for up to 90 days.
 - ii Extended Term – Any Equipment Checkout Form that requests off-campus use of equipment in excess of 90 days must be approved by the Accountable Officer and the appropriate Department Chair, Director or Vice-President.

VIII. Surplus Property

- a. AUTHORIZATION OF THE PRESIDENT'S CABINET. The disposal of College property is the sole responsibility of the President's Cabinet.
- b. Survey Request – the custodian should complete a Survey Request Form requesting release of accountability and to have the item removed from the department. These forms must be completed in their entirety to be processed for surplus pick-up. Survey Forms are available from the Property Section.
 - i Surveying Items Costing \$5,000 and Over – Requires the signature of the Accountable Officer, the Department Chair or Director, and the Vice President.
- c. Reasons for Surveying Property – The following are the most common reasons for surveying property:
 - i Excess to the department's needs



- ii Damaged
- iii Worn out or obsolete
- iv Useable only for cannibalization by department
- v Uneconomical to repair
- vi Trade-in

Please mark the correct reason on the form as this allows other departments to know if the equipment is in useable condition when advertised as available for transfer.

- d. Survey Request Form Sent to the Property Section – The completed survey form is forwarded to the Property Section and after verifying that the information on the form is correct, the form is forwarded to Central Receiving. All items listed in good condition will be advertised for transfer to other campus departments. Central Receiving will pick up all items not transferred in accordance with their annual schedule. At the time of pick-up the department signs the survey form to release the equipment to be surveyed and accountability will be transferred to the surplus department. Central Receiving will store the equipment at the surplus warehouse until the President's Cabinet meets to determine the disposition of the equipment.
- e. President's Cabinet – This committee will meet on property surplus items according to the annual survey schedule to review each survey request submitted by the departments. This committee will decide the disposition of each item.
- f. Notification Sent to the Accountable Officer / Project Director on Items to be Cannibalized – The Property Section will send affidavits to each Accountable Officer upon approval of each request to cannibalize or a notification will be sent that the request was not approved. The Accountable Officer has the option to have the items not approved picked up for regular surplus disposal. The Accountable Officer must complete the affidavit of destruction sent by the Property Section and return the signed and witnessed form including the property tag to the Property Section. The Accountable Officer is responsible for the disposal of any residual pieces of any cannibalized equipment. Any item surveyed that has obviously been cannibalized will not be picked up and the departments will be instructed to complete a survey form requesting permission to cannibalize.
- g. Authority for Disposal – College property will not be sold, transferred, cannibalized, scrapped or destroyed without prior written approval from the President's Cabinet.
- h. Methods of Disposing of Surplus Property – The Purchasing Department will have the responsibility for the disposition of Property as directed by the President's Cabinet. The following are the most common methods of disposing of surplus property:
 - i Cannibalization of Property – The President's Cabinet may authorize the cannibalization of equipment if it is in the best interest of the College.
 - ii Abandoned Equipment – The President's Cabinet may authorize the abandonment of tangible personal property, in place, upon determination that the cost to return or repair exceeds the value of the property.
 - iii Public Sale – The President's Cabinet may authorize the public sale of such property determined to be surplus to the needs of the College under the following conditions:
 - 1. All public sales will be conducted on set date and time that will be advertised in a local newspaper of general circulation no less than two weeks prior to the sale.
 - 2. Sales may be conducted at the discretion of the Purchasing Department as sealed bid sales or public auctions.
- i. Circulation of Surplus Property – The President's Cabinet may recommend the circulation of surplus property having a useful life to other agencies. Listings of such property available on a bid basis may be sent to other state agencies. Property listings will include condition and location of property available for viewing.



- j. Scrap Disposal – Any remaining property will be scrapped in a manner consistent with the College's recycle program and Hazardous Waste Disposal Regulations.
- k. Disposition of Monies Received from Surplus Property – Monies received from the sale of surveyed property will be used to advertise the bid / auction and for direct support of the surplus property.

IX. Property Inventory

- a. The President is the custodian of all College property. Custodian responsibility has been delegated to the Vice Presidents. The Vice Presidents may, and are encouraged to, further delegate this responsibility. All departments will delegate in writing, an accountable property custodian assigned to their departments or units.
- b. Once custodianship is assigned, the custodian becomes responsible for the inventory items that have been accepted, as well as future purchases. The custodian is held accountable for all items on his/her inventory, including replacement of missing items.
 - i. The custodian is responsible for preparing and submitting the proper transfer forms when property items are relocated within the same department or reassigned to other departments.
 - ii. The custodian is further responsible for preparing and submitting the proper checkout forms when property items are authorized for removal from campus.
 - iii. When departmental custodianship changes, an inventory will be conducted to verify that all property items are accounted for. Responsibility will then be assigned to the incoming departmental custodian.
- c. Each of the property custodians is responsible for the equipment and furniture assigned to his or her department.
 - i. A computer listing of all furniture and equipment assigned to each department will be provided at least annually by the College Property Manager's office.
 - ii. The custodians should identify a person within the department who will be responsible for physically checking the inventory. This person will be called the "Inventory Record Keeper".
 - iii. The custodian must physically locate each item by matching the tag number on the listing with the property tag on each piece of equipment.
 - iv. Verify, enter, or update the building and room information where each item is located. Any changes can be noted by lining through the old building/room number and writing in the new number below each field.
 - v. Verify, enter, or update the serial number.
 - vi. Once an item has been physically located and matched to the inventory report, the Inventory Record Keeper will initial beside each item to the left of the property number.
 - vii. All items not matching should fall into one of the following categories and be handled accordingly:
 - 1. Items on Inventory, Not Found
 - a. Stolen or Missing Equipment: You should file a police report, a copy of which should be submitted with your completed inventory list (the police report must show the police report number).
 - b. Surveyed Items: If you have submitted a survey report but the item is still listed on your inventory, please attach a copy of your survey request.



- c. Transferred Equipment: If any item has been transferred to another location, a copy of the "Property Transfer Request" must be attached. Until this property has been accounted for in the new location, it is still the responsibility of the Custodian who transferred the property.
 - d. Property Removed from Campus: For any property removed from campus for accomplishing College business or for repair by a vendor, a "Property Checkout Form" must be filed with the property currently checked out. New property should not be removed from campus until it is tagged and a checkout form is completed and submitted to the Property Office. Approval by the Departmental Custodian shall not be for a period extending beyond the current fiscal year. A new checkout form must be completed and submitted to the Property Office if the item is to be checked out in a subsequent year. Items checked out and removed from campus must be made available for annual physical inventory and/or upon request of the Property Manager.
 2. Items Found, Not on Inventory
 - a. Item Has A Decal: Add the decal number and a description of the item to the property report.
 - b. Item Purchased (\$3,000 or Greater) But Not Tagged: List the item and any information you have relating to the equipment (description, serial number, date purchased, voucher number, building/room number, cost, purchase order number) on the bottom of your property report. This information will help the Property Office in reconciling the property inventory.
 - c. Items Received From Another Source (Transfer from Another Department, Donation, etc.): List any information you have relative to this equipment including source of acquisition.
 3. Off-Campus Property
 - a. All property located at College off-campus locations must be accounted for during the physical inventory process. Distribute the inventory report to the parties responsible for performing the physical verification. The Custodian is responsible for ensuring that off-campus property is inventoried and must sign off attesting to this fact.
- viii. The Property Office will select a random group of departments and do a complete audit of the custodian's inventory report. Individuals from the Board of Regents (BOR) audit staff may also validate the property audit, so it is very important that the property inventory instructions are followed accurately. All discrepancies between the property report and the physical count must be resolved.