

## College Operating Procedures (COP)



**Procedure Title:** Accountability for College-Owned Property  
**Procedure Number:** 04-0105  
**Originating Department:** Financial Services

**Specific Authority:**  
Board Policy 6Hx6:2.01  
Florida Statute 274, 1001.64, 1013  
Florida Administrative Code 6A-2.0010

**Procedure Actions:** Adopted: 07/93; 8/09

**Purpose Statement:** Protection of college-owned and leased assets is the responsibility of the college administrator to whom the property is assigned. This procedure defines the methods for proper control and accountability of college-owned and leased property

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### Guidelines:

This procedure encompasses all inventoried tangible and intangible personal property owned by the college.

### Procedures:

#### I. ASSIGNMENT OF CUSTODIANSHIP OF PROPERTY

##### A. BUDGET ADMINISTRATORS

A budget administrator is an employee of the college who generally is a person in a supervisory position with direct control of one or more budget accounts. Each budget administrator is responsible and accountable for college-owned and leased property that was approved for purchase, or other means of acquisition, by him or her. College-owned furniture, equipment, supplies and other property assigned and transferred to the budget administrator is also his or her responsibility. Each budget administrator is expected to exercise reasonable and prudent care of property under his or her custodianship. Budget Administrators may designate a subordinate manager, dean or director as a property custodian.

##### B. CAMPUS PRESIDENTS

A campus president is a District Board of Trustees (hereafter referred to as Board) approved position that is responsible for the overall operations of a college campus. Each campus president is assigned responsibility for all college-owned and leased property on his or her campus that, by design or by necessity, is not practically assignable to a budget administrator. This includes buildings, grounds and capital equipment under the campus president's control. Campus presidents

may designate a subordinate manager, dean or director as a property custodian for a particular item(s).

## II. PROPERTY CONTROL

- A. College-owned and leased property encompasses tangible assets such as land, buildings, structural improvements, equipment, supplies, postage, software, books, construction in progress and similar items. Every budget administrator is responsible and accountable for the proper control and utilization of college-owned and leased assets procured by, or assigned to, him or her.
- B. College-owned and leased assets are classified into three categories as follows:
  - 1. Real Property (Land, Buildings, Construction in Progress)
  - 2. Non-capitalized Personal Property (Equipment & Supplies)
  - 3. Capitalized Personal Property (Capital Outlay)
- C. Real Property represents real estate owned by the college, including buildings and fixtures thereon, and is controlled through real estate deeds and similar legal documents.
- D. Non-capitalized Personal Property represents movable items costing more than \$1000, but less than \$5,000. These items are not formally capitalized and depreciated on the general ledger but are tracked for physical inventory purposes. (These items are reported and controlled through the use of the college fixed asset system.)
- E. Capitalized Personal Property represents any movable personal property (furniture, machinery, fixtures, equipment, supplies and similar items) costing \$5,000 or more with an expected useful life of 1 year or more. These items are formally capitalized on the college's general ledger and depreciated over their useful life. These items are reported and controlled through the use of the college fixed asset system.
- F. **FIXED ASSET SYSTEM**

The fixed asset system is an automated process for recording the acquisition, location, custody, original cost, depreciation, and ultimate disposition of College personal property.

### 1. TAGGING FIXED ASSETS

All Capitalized & Non-Capitalized Personal Property costing more than \$1000 is to be recorded in the fixed asset system and be permanently identified (tagged) with a property number decal. The Office of Financial Services

(hereafter referred to as Office of Financial Services) is responsible for the tagging of all fixed assets.

## 2. RECEIVING

a. Property that is delivered to one of the college's three campuses should be delivered to the campus' central receiving area. The person responsible for accepting the item(s) should inspect the property for obvious damage. Delivery of items for which delivery to central receiving is not practical should be arranged with the Office of Financial Services or the budget administrator who will be responsible for the property.

b. Receipt by Administrative and Academic Technology Services

Administrative and Academic Technology Services (hereafter referred to as Technology Services) staff must take special care to safeguard newly acquired property valued at \$1000 or more with a life expectancy of one year or more until the item can be recorded and physically tagged by the Office of Financial Services. The Office of Financial Services should be notified immediately upon receipt of an inventory item. Items should not be deployed until properly tagged.

c. If an inventory item must be deployed without being physically tagged by the Office of Financial Services, Technology Services must record the make, model, serial number, P.O. number, and destination location of the deployed property. This information is critical to assist the Office of Financial Services in locating and tagging an inventory item.

d. Receipt by Budget Administrator

The budget administrator must take special care to safeguard newly acquired property valued at \$1000 or more with a life expectancy of one year or more until the item can be recorded and physically tagged by the Office of Financial Services. The Office of Financial Services should be notified immediately upon receipt of an inventory item.

## 3. OFFICE OF FINANCIAL SERVICES

Newly acquired property valued at \$1000 or more and a life expectancy of one year or more will have a fixed asset property number assigned by the Office of Financial Services upon payment of the purchase order or other form of confirmation that the item was received by the college. The Office of Financial Services will tag all college-owned property for which a fixed asset property number was assigned with a pre-numbered barcode label.

a. The Purchasing Specialist will send to the Inventory Accountant all purchase requisitions coded to a personal property general ledger account code: 706xx or 710xx. The Inventory Accountant will review the

requisition to confirm the correct general ledger account code is being charged and will return the requisition to Purchasing.

- b. After the Purchase Order (P.O.) is generated, a copy will be sent to the Inventory Accountant to assist in locating and tagging College personal property as described in this section.

### III. SURPLUS PROPERTY

When property is deemed by the custodian of the property to be obsolete, or the continued use of which is uneconomical or inefficient or which serves no useful function, he or she should classify the item as surplus. The following steps must be followed to dispose of surplus property:

#### A. BUDGET ADMINISTRATOR

1. Prepare a REQUEST FOR BOARD WRITE-OFF form identifying the surplus item to be disposed and the transfer of the item to Surplus Storage. Indicate that the item is "Surplus" in the "Reason for Write-off" section of the form. Send the intact form to the Office of Financial Services and keep a photocopy for your records. Include the transferring budget administrator's signature on the bottom of the form.
2. The Office of Financial Services will coordinate a time to remove and store the surplus item with the Facilities Planning and Management or Technology Services Department. The surplus item must remain in the assigned location until it is moved to Surplus Storage. The pink copy of the REQUEST FOR BOARD WRITE-OFF form will be returned to the transferring department indicating receipt of the transferred asset.

#### B. OFFICE OF FINANCIAL SERVICES

1. Inventory that is transferred to Surplus will be recorded in the fixed asset system as transferred to the Surplus Storage Facility and will become the responsibility of the Office of Financial Services.
2. A budget administrator may request any available surplus inventory be transferred to his or her department. The transfer must be requested by the receiving budget administrator to the Office of Financial Services. Transfers of surplus inventory will be processed on a "first come, first served" basis.
3. The Office of Financial Services will complete a PROPERTY TRANSFER FORM if the surplus fixed asset is being transferred to another department. The form will then be sent to the Receiving Budget Administrator for approval.
4. Subsequent Board submission and formal write-off of these surplus items is covered in Section 6.0.

C. FACILITIES PLANNING AND MANAGEMENT DEPARTMENT

Upon notification from the Office of Financial Services, the Facilities Planning and Management (hereafter referred to as Facilities) staff will schedule a time to pick up surplus fixed assets (see also section 3.4 for computers and related technology). Facilities staff will not fulfill pick-up requests from anyone other than authorized Office of Financial Services staff.

1. The Facilities staff will meet the Office of Financial Services staff at the location of the item(s) to be picked up and delivered to Surplus Storage at an agreed upon date and time. Facilities staff will deliver the fixed asset item(s) to the Surplus Storage site.
2. Items with asset tags will not be removed by Facilities Staff unless a REQUEST FOR BOARD WRITE-OFF form has been properly processed through the Office of Financial Services.
3. The Office of Financial Services will have sole custody of the Surplus Storage facility. The Facilities staff is responsible for the movement of surplus items and will store and remove item(s) in the Surplus Storage facility at the direction of the Office of Financial Services.

D. ADMINISTRATIVE AND ACADEMIC TECHNOLOGY SERVICES

Upon notification from the Office of Financial Services, the Technology Services staff will schedule a time to pick up surplus computers and related technology fixed assets (see also section 3.3 for other fixed assets). Technology Services staff will not fulfill pick-up requests from anyone other than authorized Office of Financial Services staff.

1. The Technology Services staff will meet the Office of Financial Services staff at the location of the item(s) to be picked up and delivered to Surplus Storage at an agreed upon date and time. Technology Services staff will deliver the computer and related technology fixed asset item(s) to the Surplus Storage site.
2. Computers and related technology items with asset tags will not be removed by Technology Services Staff unless a REQUEST FOR BOARD WRITE-OFF form has been properly processed through the Office of Financial Services.
3. The Office of Financial Services will have sole custody of the Surplus Storage facility. The Technology Services staff is responsible for the movement of surplus computers and related technology items and will store and remove item(s) in the Surplus Storage facility at the direction of the Office of Financial Services.

IV. TRANSFERRING OF FIXED ASSETS

- A. The following steps must be followed to transfer fixed assets to another property custodian or location:
- B. BUDGET ADMINISTRATOR
  - 1. The transferring budget administrator will prepare a PROPERTY TRANSFER FORM identifying the fixed asset item(s) to be transferred and the reason for the transfer. The transferring budget administrator approves the transfer by signing the bottom of the form. The intact form is sent to the Office of Financial Services. The transferring administrator may choose to make a photocopy for their records.
  - 2. Upon notification from the Office of Financial Services, the Facilities and/or Technology Service staff will coordinate the location transfers. The fixed asset item(s) must remain in the assigned location until moved at the direction of the Office of Financial Services. Facilities and/or Technology Service staff will not fulfill transfer requests from anyone other than authorized Office of Financial Services staff.
  - 3. Upon delivery of the item, the receiving budget administrator will accept custodianship of the item(s) by signing underneath the transferring custodian in the appropriate section at the bottom of the PROPERTY TRANSFER FORM, BO-019. The intact form with both approvals is returned to the Office of Financial Services.
- C. OFFICE OF FINANCIAL SERVICES
  - 1. Upon receipt of the completed and approved PROPERTY TRANSFER FORM, BO-019 the Office of Financial Services will update the fixed asset records to reflect the transfer and sign in the appropriate section at the bottom of the form.
  - 2. A copy of the PROPERTY TRANSFER FORM, BO-019 will be returned to the transferring and receiving budget administrators indicating the asset has been formally transferred and entered into the system by the Fixed Asset Accountant.

## V. ANNUAL PHYSICAL INVENTORY

### A. OFFICE OF FINANCIAL SERVICES

- 1. The Office of Financial Services will maintain a fixed asset property accounting for all capital equipment and other property costing \$1000 or more. The Office of Financial Services will also conduct an annual physical counting and fixed asset reconciliation of all college-owned property costing \$1000 or more. The physical inventory program will consist of the following procedures:

2. At least one week prior to the physical counting of fixed assets, the Office of Financial Services will provide the budget administrator with a copy of all items to be counted during the physical inventory and a scheduled date to conduct the physical inventory.
3. The Budget Administrator or designee will conduct the physical inventory on the date(s) scheduled with the assistance of the Fixed Asset Accountant.
4. Any missing items on the fixed asset list that cannot be located during the physical inventory will require the budget administrator to do the following:
  - a. Submit a Request for Board Write-Off Form, BO-020 along with a written explanation that the item was not found during the physical inventory and is presumed lost to the Vice President of Financial Services with a copy to the cognizant college officer; and
  - b. Submit a Public Safety Incident Report indicating the Florida SouthWestern State College fixed asset property tag number, item description, last known location, serial number, and original cost to the Public Safety department.
  - d. If any items are deemed or presumed stolen during the year then the budget administrator must immediately report fixed asset items to the Public Safety Department with a copy of the Incident Report delivered to the Office of Financial Services and the cognizant college officer. The Vice President to whom the budget administrator reports (or the President) will implement corrective action they feel necessary to insure the safekeeping of other property under his or her jurisdiction.
4. Upon completion of the reconciliation of the physical inventory, the Fixed Asset Accountant will prepare a summary memo listing the results of the annual physical inventory and submit it to the Vice President of Financial Services.

#### B. BUDGET ADMINISTRATOR

Each year, budget administrators will receive a notice from the Office of Financial Services that a physical inventory is scheduled for their area. The notice will be accompanied by a listing of fixed asset property items for which they are responsible and accountable. The budget administrator will review the list and verify that all items are accurately reported. If the property list includes items which were transferred to another location and/or budget administrator, the budget administrator must complete a PROPERTY TRANSFER FORM as described in Section IV. All inventory transfer forms prepared subsequent to receipt of the inventory listing must be given to the fixed asset accountant when he/she arrives to conduct the physical inventory.

## VI. INVENTORY WRITE-OFF

### A. OFFICE OF FINANCIAL SERVICES

#### 1. RECOMMENDATION FOR WRITE-OFFS

The Office of Financial Services will prepare a list of fixed asset items, which have been deemed by property custodians to be traded in, stolen, missing for at least two years, obsolete, or the continued use of which is uneconomical or inefficient or which serves no useful function and has been classified as surplus. This list will be attached to a Board agenda item as a recommendation for these items to be written off the college's accounting and property records. This recommendation will be given to the Vice President of Financial Services for presentation at the next regularly scheduled Board meeting.

#### 2. BOARD APPROVED WRITE-OFFS

The Vice President of Financial Services will review the listing prepared by the Office of Financial Services related to fixed asset write-offs. The Vice President of Financial Services will recommend approval of fixed asset write-offs to the Board at the next regularly scheduled Board meeting. The Vice President of Financial Services will notify the Office of Financial Services of the items approved for write-off by the Board.

#### 3. REMOVAL FROM RECORDS

Upon notification by the Vice President of Financial Services of items that were approved for write-off by the Board, the Office of Financial Services will remove the item from the active inventory records and initiate procedures to dispose of the property in accordance with state statutes, rules, and Environmental Protection Agency guidelines.

#### 4. DISPOSITION OF ASSETS

Disposition of Board approved write-off items include transfers to other governmental units within the college district, selling them at public auction by sealed bid, or by any other manner in accordance with statutes, rules or Board policy. The College will properly dispose of any Board approved write-off item that requires express certificate of title passing from the college or that necessitates an annual registration with a local taxing authority, i.e., cars, trucks, vans, sport utility vehicles, buses, boats, etc.