

PIEDMONT VIRGINIA COMMUNITY COLLEGE

VII. FISCAL POLICIES AND PROCEDURES

VII – 2.0 FIXED ASSETS

VII – 2.1 FIXED ASSET INVENTORY POLICY

Policy #:	VII – 2.1
Effective:	April 1, 1998
Revised:	August 21, 2008
Responsible Dept.:	Business Office

PURPOSE

The purpose of this policy is to provide guidelines to maintain and provide accountability of fixed assets owned by the college.

Equipment purchased by the college is required to be entered into the AIS-Asset Management System. The Fixed Asset Coordinator (FAC) located in the business office maintains the inventory system; however, each individual department is responsible for securing and accounting for the equipment items within his/her area.

IDENTIFY FIXED ASSETS

Any movable equipment acquisitions with expected useful life of 2 years or more and where the unit cost is greater than or equal to \$1,000, will be recorded in the college's inventory. Equipment purchased with grant funds shall be inventoried as required by the grant. Equipment acquired with Equipment Trust Fund and Technology Fund monies are to be recorded where the unit cost is \$500 or greater.

Responsibilities

Building and Grounds is responsible for receiving, tagging or marking, and transporting equipment once it is received by the college. All new equipment meeting dollar threshold purchased with grant funds, ETF, and College funds will be tagged with a college identification tag indicating an identification number.

A FAIS Inventory Data Input Document must be completed and forwarded to the Fixed Asset Coordinator. The Fixed Asset Coordinator will verify the Inventory Data Input Document with the purchase order, receiving report and the invoice. After verification, the asset will be entered into the AIS-Asset Management System.

The Fixed Asset Coordinator is responsible for identifying, recording, and maintaining an up-to-date Master Inventory List as outlined in the AIS-Asset Management Manual. The Fixed Asset Coordinator will review the ACTR0462 Potential Fixed Asset Report weekly to identify any purchases that may have controllable assets.

An individual from each area should be designated as the person responsible for that area or division inventory. The Fixed Asset Coordinator will distribute an equipment list for each area on a yearly basis. Each individual will be responsible for maintaining an accurate and up-to-date inventory of the equipment in his or her area of responsibility. Any evident thing that happens to affect accountability of equipment must be reported to the Fixed Asset Coordinator as soon as possible

The Business Manager approves all add, changes and deletes.

Definition of Equipment

Equipment will be tagged separately or as follows:

For purposes of this policy, equipment property is college property of any kind, which meets the following criteria:

1. Is complete in itself;
2. Does not lose its identity or become a component of the building where it resides; and
3. Is of a durable nature with an expected service life of two or more years.

Definition of Equipment Component Parts

A component part is that part of a unit of equipment that cannot be used independently of the remaining piece of equipment or is physically connected to the major asset. This definition applies even though the component part may meet the capitalization criteria by itself. For example, a monitor and keyboard would not be separately inventoried but would be considered a part of a personal computer unit. The cost of the monitor and keyboard would be included in the acquisition cost of the personal computer unit.

Movement and Relocation

An **Equipment Movement Form** must be completed and submitted to the Fixed Asset Coordinator at the time equipment is being moved from one location to another or from one responsible area to another. The form must be signed by the person authorizing the move. Once the move is made, the form is sent to the Fixed Asset Coordinator to enter the change in AIS.

Equipment Loaned or Moved Off Campus

The use of college equipment off campus premises is allowable as long as there is documented and justified reason for needing the equipment off premises. A **Removal of VCCS Equipment off State Premises** must be signed by the requestor and supervisor. Prior to removing the equipment from the campus premises a copy of the form must be provided to the college's Fixed Asset Coordinator. Over night removal of laptop computers is excluded from this requirement. Equipment used for classroom instruction at off campus facilities does not apply to this requirement or equipment that is checked out through the library.

The Fixed Asset Coordinator must be notified once the equipment is returned.

Missing or Stolen Inventory

When equipment is determined to be missing or stolen, the person responsible for the equipment should immediately notify the security officer, who will contact the local police and secure the area. Then a **Property Loss Form** should be submitted immediately to the business office. This form should include (1) the inventory number and location, (2) a description of the item, (3) the date the item was determined to be missing, and (4) efforts that have been made to identify the conditions under which it disappeared and the person (s) accountable for the loss or theft.

Upon such notification and after appropriate review and action, the Fixed Asset Coordinator will change asset status in AIS.

Bi-Annual Physical Equipment Inventory

The objectives of a physical inventory are to ensure that the equipment recorded into AIS physically exists, to determine if unrecorded or improperly recorded transactions have occurred, and to identify and excess, defective or obsolete assets on hand.

A physical inventory will be required every two years using the following procedures:

1. The Master Inventory List will be distributed to each supervisor of the responsible area.
2. Responsible persons will verify the location, condition, security, identification, tagging, and utilization of the equipment. Discrepancies that require correction of records will be identified. Notification to the Fixed Asset Coordinator should be made whenever a piece of equipment loses its tag so that a new tag can be provided and attached to the equipment.
3. If an item is not found, then every effort should be made to locate the item throughout the campus. If necessary, other departments or Security may be brought in to assist in locating the item. Should the item remain missing, it must be reported to the Fixed Asset Coordinator in order to change the status of the equipment in AIS.
4. All listings are to be returned to the Fixed Asset Coordinator by the stated deadline with all information verified and updated as indicated. The forms must also be signed and dated by the individuals responsible for the equipment. The Fixed Asset Coordinator will be responsible for verifying reports and making necessary changes in AIS. Items that have been reported lost, stolen or obsolete will be removed from inventory upon receiving proper approval.

Upon completion of the inventory, all forms and other documentation shall be retained as backup for the audit file. A brief, one page cover shall be placed on the documentation regarding the outcome of the physical inventory and any additional procedures that had to be followed.

The college may require a physical inventory at other intervals less than two years.

Surplus Equipment Procedures

Surplus Property is equipment that is no longer needed by the college and can be disposed of, sold or sent to the State Surplus Warehouse. The college must following instructions for disposal as outlined in Chapter 12 of the Department of General Services' Agency Procurement and Surplus Property Manual.

When equipment is determined to be surplus by a department, the **Equipment Inventory Surplus Form** must be completed and forwarded to the Fixed Asset Coordinator. A copy of the form will be sent to Building and Grounds to pick up the surplus item. The form is to include the equipment ID number, location, serial number, and condition of the equipment i.e. good, fair, needs repair, etc. A listing will be compiled of all college surplus equipment. Any equipment, which can be used by another department, will be transferred at that time. **Submission of the Equipment Inventory Surplus Form is required.** Any equipment remaining will be submitted to DGS/DPS for sale through the state surplus procedures or sent to State Surplus Warehouse.

All equipment listed as surplus will be moved to one location and equipment information is verified prior to submission to DGS/DPS. IT is responsible for purging data from surplus PC and Hard Drives as required by VITA policy. A manifest is prepared of equipment sent to Surplus Warehouse. After the manifest is returned to the college the Fixed Asset Coordinator will change the status of the equipment in the Asset Management System. Any equipment that is sold will be released upon proof of purchase indicated by a paid receipt. All equipment sold or sent to the state warehouse is removed from the college's Master Inventory List. All proceeds from the sale of surplus property will be deposited to the college's surplus property account.