

Policy Type: Business Affairs
Policy Title: Asset Management (Inventory Control)
Policy Number: BA-04

Purpose:

The purpose of the fixed assets system is to provide control and accountability over the College's assets and to gather and maintain the information needed for the preparation of financial statements.

The policies and procedures described below meet the State of Washington, Office of Financial Management minimum standards as described in Chapter 30 of the State Administrative & Accounting Manual. In addition to the minimum standards, the Purchasing Office will annually review and update these policies and procedures to determine if changes in technology or theft experience warrant inclusion of any additional items in the asset inventory.

Scope:

This policy applies to all Green River staff, students and community members who utilize state resources.

Definitions:

Administrator - the person(s) authorized to approve purchases on behalf of a college department and has the authority to redistribute or surplus assets.

Asset Value - the acquisition cost of an asset calculated 1) without regard for trade in allowance 2) including taxes, installation and/or calibration charges, 3) freight and 4) Educational and other discounts are taken into consideration.

Capital Asset - item or equipment with: 1) asset value over five thousand dollars (\$5,000), 2) a useful life of one or more years, and 3) legally considered either real or personal property. Such items must be purchased, transferred, coded, recorded, tagged and inventoried within the fixed assets system as described in these procedures.

Office of Financial Management (OFM) - the Washington State Agency responsible for the oversight of state assets.

Small and attractive assets - item or equipment with: 1) asset value cost between three hundred dollars (\$300) and five thousand dollars (\$5,000), 2) a useful life of one or more years and 3) considered sensitive and requiring property control. Such items must be purchased, transferred, coded, recorded, tagged and inventoried within the fixed assets system as described in these procedures.

Small and attractive assets per OFM include:

- Weapons, firearms and all items in OFM commodity class 10XX.

- Items or equipment with a unit cost of \$3,000 or greater.
- Portable computing devices
- Portable video projectors
- Digital video cameras
- Additional small and attractive assets per GRCC, Less than \$300.00
- External Zip Drives
- External CD Burners/Writer
- External Laser Disc (storage devices)
- Cellular Phones
- Fax Machines
- Palm Pilots (smart pad)
- Scanners
- Printers
- Flat Screen Monitors and Specialty Monitors
- Cameras
- Video Cameras
- Optical devices (binoculars, telescopes)
- Radios used by repeater

Non-inventoried assets - item or equipment with: 1) asset value between three hundred (\$300) and three thousand (\$3,000) dollars, 2) a useful life of more than one year 3) does not meet the definition of a capital or small and attractive asset. Such items must be purchased, transferred, coded, recorded, and inventoried according to the internal procedures of each department.

Fixed assets system - FAE - Fixed Assets Equipment will be used to record and account for all capital and small and attractive assets.

Accessories or attachments to assets - unit or equipment with: 1) asset value over five thousand dollars (\$5,000), 2) adds useful life to an existing capital asset and 3) does not replace the original asset. Such items must be purchased, transferred, coded, recorded, tagged and inventoried within the fixed assets system as described in these procedures.

Fabricated asset - item or equipment constructed by a college shop or lab. Such items should be coded as equipment five thousand dollars (\$5,000), 2) a useful life of one or more when the fabrication charges are made and treated as a capital, small and attractive or non-inventoried asset as described above. All labor, supplies, and materials used in the construction should be considered the asset value. The fabricator must notify Inventory and Surplus staff to transfer, code, record, tag and inventory the item as soon as it is completed.

Transferred asset - item or equipment received from another government (federal, state or local) agency (often with freight the only cash expenditure) shall be treated as a capital, small and attractive or non-inventoried asset as described above. The cost shown on the transfer document shall be considered the asset value.

Gift - a capital, small and attractive or non-inventoried asset received without any college expense incurred. The Green River Community College Foundation must officially accept all donations, including gifts designated for a particular area or purpose. The Green River Community College Foundation shall notify the Purchasing Office in writing of the donation to include a description of the item, the receiving unit, location, value of gift, donor's name, and date received. The asset shall be treated as a capital, small and attractive or non-inventoried asset as described above. The value of the gift shall be considered the asset value.

Property - any asset, material, equipment or supply belonging to the college.

Property custodian - person assigned by a department administrator to maintain the department's property list and work with the Inventory Inspector during the biannual physical inventory.

Surplus property - any unserviceable, obsolete or excess college assets, materials, equipment or supplies, tagged and untagged regardless of whether or not the item is part of the colleges fixed assets system.

Policy:

Green River Community College is to be in compliance with all RCW's and WAC's governing Inventory and Surplus of College Assets as outlined in the OFM Manual with the following procedures.

Procedure:

Responsibilities: The Purchasing Manager is responsible for developing and administering property management processes and the data integrity of the fixed assets system. Each Administrator or their delegate, is responsible for maintaining physical control and maintenance over all assets (inventoried and non-inventoried) purchased and assigned to their department. Departments are responsible for developing internal procedures to control the use and distribution of all assets assigned to the unit.

Inventory staff is responsible for:

- maintaining records,
- tagging assets,
- preparing asset inventory reports,
- coordinating the annual physical inventory,
- reconciling property inventory and fiscal records, and
- making financial reports of fixed assets contained on a yearly basis

Receiving, Tagging and Delivery of Property: The college becomes responsible for all property upon delivery. The campus receiving/mailling operation is responsible for physically delivering non-IT related property to the ordering department unless delegated to someone else. The campus receiving/mailling operation is responsible for delivery of the IT related goods to the Information Technology staff and to notify the ordering department that the goods have arrived.

The Information Technology staff is responsible for delivering and installing all IT related property. All capital and small and attractive assets are to be tagged before being delivered to units unless delegated to another area. The Inventory staff is responsible for assigning and permanently affixing college inventory tags and other identification markings on these assets as appropriate unless delegated. The college inventory tag number must be noted on the receiving document (packing slip, email or copy of PO) and recorded in the fixed assets system.

Disposal, Transfers, Trades and Trade-Ins of Surplus Property: Inventory and Surplus staff must be notified in writing that a disposal of surplus property is planned. An email notification should include description, State of Washington tag number (if available), serial number and condition, location of asset, any other pertinent information and include a cc to all affected staff to include the Administrator responsible for the area. If an Administrator disapproves of the Surplus, they must respond to the email as soon as possible. Surplus of IT equipment must be routed to IT for approval and redistribution as appropriate. Upon receipt of a notification for disposal, the receiving/mail office will respond as to the collection and storage of the reported property. Rolling stock and heavy equipment such as motor vehicles, construction equipment, and grounds equipment is stored at unit's location until the property is surplus.

The Office of Commodity Distribution, Department of General Administration (GA), State of Washington process (form 267A) is used for disposal of all surplus property by the Inventory and Surplus staff.

If the surplus property was a capital or small and attractive asset, it will be removed from the fixed assets system.

If the Administrator believes that the value and marketability of the items being surplus would generate \$1,000 or more for the college, a request should be made for the college to directly sell the property. The request will be evaluated by the Purchasing Manager, the Inventory, Surplus staff and the Administrator to determine feasibility.

Disposition of technology-related surplus property must be approved by the Vice President of Information Technology. Technology-related surplus property may be cannibalized for parts, recycled or submitted to the colleges' Inventory/Surplus staff. The Surplus/Inventory staff will be notified of all actions regarding college IT property that are part of the FAE so proper updates can be made.

If the decision is made to directly sell college property, the Inventory/ Surplus staff will manage a surplus sale.

Revenue received from the sale of surplus property through a sale and the General Administration distribution process will be deposited back to the fund and division that originally purchased the surplus property.

Transfer of surplus property or assets between units may be accomplished by an email notification to Inventory and Surplus staff by the unit which currently carries the asset on its

inventory. IT will process all IT related items for the college and notify the Inventory/Surplus staff. Inventory/Surplus staff will update the fixed assets system to reflect the transfer. The college encourages the use of trade-in opportunities where the trade-in produces the best value for the college. Approval from Purchasing must be obtained prior to generating a purchase involving a trade in. The purchase requisition should include the tag number of the property to be traded in. Purchasing will notify the Inventory/Surplus staff. These transactions must be processed through the GA as surplus property ([form 267A](#)).

Loan of College Assets: No item of college property (regardless of original funding source) shall be removed from its assigned location without proper written authority. Any loan or temporary removal of an asset must be authorized by the appropriate Administrator and an email notification sent to the Inventory/Surplus staff. This notification must include:

- description of item,
- state tag number
- who will have control of asset
- location of asset
- release date
- date asset should return to college
- approval by administrator

There are two exceptions.

- If the item is IT related, then IT will approve and notify the Inventory/Surplus staff via email when the item is released and when it is returned.
- If the item is managed by the Instructional Media Center, they will manage their inventory and reconcile with the Inventory/Surplus staff on a yearly basis.

NOTE: College assets may only be used for official college activities. Assets may not be loaned to other organizations nor may they be used by college staff for personal use.

Lost or Stolen Property: If property is missing, the Administrator or their delegate must email a memorandum to the campus Security Services office indicating the item missing and the circumstances under which the item was lost or stolen. The Security Services will complete a report as required and notify the Inventory and Surplus staff, Controller and affected departments. Upon conclusion of the investigation, the campus Security Service office will forward a copy of the case report to Inventory and Surplus staff, Controller and affected departments.

If evidence clearly indicates the item has been stolen, Inventory and Surplus staff shall prepare and file a GA form 267A internally, including all back-up material (the memorandum from the account manager and the case report from Security Services). The Controller will email notification to the State Auditor's Office, Risk Management and Attorney General if required.

If it appears that the item may still be on campus but has just been misplaced, it will remain on inventory until the next full physical inventory. If it is not found in the next inventory, the Administrator will initiate the process described above for stolen property.

Physical Inventory: Each department is required to maintain a physical inventory of all non-inventoried and tagged assets.

Inventory staff will inventory each college department at least once per year. Inventory staff will work with departmental staff to reconcile the inventory.

Each department administrator will assign someone to be the property custodian for the department.

Inventory staff will note exceptions on the property list such as:

- Asset on inventory list but not found.
- Asset found but not on inventory list.
- Incorrect description

A report of the results of the campus-wide physical inventory will be filed with the Purchasing Manager at the end of each annual physical inventory. Email is acceptable unless noted otherwise.

Specific Authority:

OFM authority is granted in [RCW 43.88.160\(1\)](#), [RCW 43.19.1917](#) and [RCW 43.41.150](#). As defined in [Chapter 30.50.10](#) of the State Administrative & Accounting Manual issued by the Office of Financial Management, State of Washington. See [RCW 43.19.190 through RCW 43.19.1939](#)

Law Implemented: 1993

History of Policy or Procedure

Draft: November 2004

Adopted: April 5, 2005

Revised:

Reviewed by: Inventory/Surplus staff, Controller, Internal Control

Contact: Patty Sikora, Purchasing Manager, ext.3301

President's Staff Sponsor: Rick Brumfield, Vice President of Business Affairs, ext. 3305