

INVENTORY POLICY AND PROCEDURE

Policy

The Inventory Policy establishes a process for the recording, identification, and accountability of all College owned furnishings and movable equipment items (Equipment) having a minimum cost of \$200 each and a life expectancy of over two years. The President of the College shall appoint a Property Manager and assign to the Property Manager the responsibility to maintain a system of equipment control to provide a safeguard against loss and to facilitate effective utilization. The Property Manager shall be the Assistant Vice president for Administrative Services.

The College shall utilize an appropriate property and equipment control system to meet the need for detailed information as to particular identification of the property or equipment and the costs, the depreciation, the assignment and the location of the equipment. The Property Manager, or an appointed designee, who is not responsible for the day-to-day custody of equipment, shall conduct the annual inventory of all equipment assigned to each divisional/unit location. The responsibility for equipment accountability is assigned to the appropriate division/unit head. This policy requires:

- a) All items of equipment to be brought under control shall be identified by a serial number affixed to each item.
- b) Equipment control records shall be maintained for each item of equipment identified by a serial number.
- c) Periodic physical inventories, at least once annually, shall be taken of all items of equipment placed under serial number control.
- d) Equipment utilization controls shall be maintained for significant items, whether they are in the form of daily usage records or simple periodic observations to provide a safeguard against loss and to facilitate effective utilization.
- e) No item of equipment should be permitted to leave the premises without a pass signed by the proper authority.
- f) Unit heads shall be administratively responsible for the equipment assigned to the unit. The equipment assigned should not be permanently transferred without written approval of this individual and the Property Manager.

Procedure

1) What is to be Included in the property and equipment inventory?

To be included in the inventory an item must meet the following criteria:

- a) Be Sullivan County Community College property, including gifts to the College.
- b) Include items of furniture, electronic equipment, machinery, vehicles and apparatus which may be used repeatedly without any material impairment of physical condition and which have a probable life of more than two years.
- c) Include items Sullivan County Community College is leasing or renting, if the lease is applied towards the purchase of the item and is determined to be a capital lease.

The following do not meet the above criteria – do not include them:

- a) Items furnished by a grant or contract for which Sullivan County Community College does not hold title.
- b) Personally owned items.
- c) Draperies and other expendable items.
- d) Items permanently attached to buildings. Examples of items would be laboratory benches with service connections, fume hoods, light fixtures, built-in cabinets, permanently installed heating and cooling apparatus and carpeting.

Generally, all equipment purchased must be placed under control. However, different levels of equipment control can be established. For the larger, more cumbersome equipment, such as desks and file cabinets, the item should be identified with a tag showing that it belongs to the facility. The records may show the total number of items in particular units. For the more sensitive items, such as those susceptible to theft, tags with individual serial numbers should be affixed to the equipment and detailed records should be maintained.

2) Receipt of New Equipment

- a) When received by the College, the Receiving Office shall verify that the item description is identical to the item as described on the purchase order issued to the supplier, tag the equipment and arrange for the equipment to be delivered to the location requested.

Or

b) The Receiving Office shall contact the requesting unit to verify that the item meets the specification of the purchase order issued to the supplier before tagging the item. Once verified by the requesting unit, the Receiving Office will tag the equipment and arrange for the equipment to be delivered to the location.

c) The following information must be entered in the AssetWin inventory system:

Description

Serial or manufacturer identification number

Original cost

Purchase order number (if applicable)

Acquisition date

Disposition date

Category

Unit to which equipment is assigned

Person assigned responsibility for the equipment

Location: Building and room

3) Equipment Records Maintained by the Property Manager

a) The tag number assigned to a piece of equipment serves as the central mechanism for establishing a unit record in the inventory control system. The Property Manager will be responsible to ensure that each record contains information on the item including:

Description

Serial or manufacturer identification number

Original cost

Purchase order number (if applicable)

Acquisition date

Disposition date

Category

Unit to which equipment is assigned

Person responsible for equipment assigned

Location: Building and room.

4) Annual Verification of Inventory by Units

Each year, the Property Manager will furnish each unit with a detailed listing of equipment assigned to that area, as soon as possible after March 31. The list should be verified by the unit and any corrections reported to the Property Manager.

5) Reporting Changes in Status of Equipment

- a. Status changes are to be reported by the accountable unit as they occur. The Property Manager will update the inventory to reflect the change.
- b) Whenever an equipment item is temporarily (less than 6 months) transferred between locations, the unit initiating the transfer must keep a record of its new location.
- c) Whenever an item of equipment is to be permanently transferred to another location, form INV-1 is sent to the Property Manager.
- d) Whenever an item of equipment is found missing or believed to be stolen, this must be reported immediately to the Security Office and the Property Manager. Form INV-1 is to be used for this purpose.
- e) Equipment owned by the College may not be removed from campus without the permission of the unit head and the Property Manager. Equipment taken off campus must be under the supervision of an employee of the College. Form INV-2 "Request to Take Equipment Off-Campus" must be filled out and approved by the unit head and the Property Manager prior to taking equipment off campus. Form INV-2 must be updated and signed by the Property Manager when the equipment is returned.

Note: Form INV-1 "Inventory Change Worksheet" and Form INV- 2 "Request to Take Equipment Off-Campus" are available on the "S" drive in the "Inventory Forms" folder for this purpose.

6) Annual Verification of Inventory by Property Manager

- a) Annually, the Property Manager, or his/her designated representative will complete a physical inventory of the equipment assigned to each unit. Inventories will be scheduled on a rotating basis with inventory being completed at each unit once during a twelve-month period during the months of May, June, July and August.

- b) The inventory for each unit is reconciled by the Property Manager and unit head with the prior physical Inventory of equipment. All material difference will be reconciled.
- c) A record of lost or unaccounted for items will be submitted by the Property Manager to the President for approval to remove such items from the equipment records.
- d) Those items which are authorized by the President to be removed from the records should be entered in inventory records by the Property Manager.

7) Equipment Utilization

One of the most significant aspects of the equipment control system is equipment utilization.

- a) It is the responsibility of the Property Manager and the unit heads to:
 - (i) Keep control over stand-by equipment
 - (ii) Ensure the continuing need for such stand-by equipment
 - (iii) Detect underutilized equipment; and
 - (iv) Make arrangements for the disposal of any equipment which exceeds foreseeable future needs.
- b) Certain units will find it necessary to maintain continuing records of equipment utilization. The unit head and/or Property Manager will make a periodic review of unutilized and underutilized equipment to determine the extent to which such as equipment should be reported as surplus.
- c) These reviews will not be limited to the equipment items placed under inventory control, but will cover all equipment belonging to the College including office and classroom furniture.

8) Surplus Property Disposal

- a) The accountable unit head designates item(s) for surplus.
- b) INV-1 Form shall be completed by the unit head and submitted to the Property Manager.
- c) The Property Manager will evaluate condition of the item(s), and assign condition as obsolete, poor or scrap.
- d) The Property Manager will determine the method of local disposition (local sale, donated, dumped/recycled).

- e) If local disposition includes selling of scrap, the Property Manager will assign a required minimal bid value to the item. The Property Manager will ensure that the proceeds from the sale are received and deposited in the appropriate College account by the College Controller.
- f) The Property Manager will be responsible for the removal of the College's Inventory Identification Tag and the final disposition of the surplus item.
- g) The method of disposition will then be noted in the Inventory Control system.
- h) Property Manager shall retire asset(s) from the Inventory Control system.
- i) An annual report of surplus sales shall be submitted to the President in August of each year.

(Approved by the SCCC Board of Trustees on April 15, 2010)