

**SOUTH FLORIDA STATE COLLEGE
ADMINISTRATIVE PROCEDURES**

PROCEDURE NO. 2074

TITLE: RESPONSIBILITY FOR COLLEGE PROPERTY AND PROPERTY RECORDS

BASED ON POLICY: 2.07 PROPERTY

OFFICE OF PRIMARY RESPONSIBILITY: VICE PRESIDENT FOR ADMINISTRATIVE SERVICES/CONTROLLER

I. Purpose:

To establish procedures for the control of College property of a non-consumable nature with a normal expected life of one year or longer and a cost value of \$1,000 or more. Some items costing less than \$1,000 may be tracked as property items due to high susceptibility of loss and/or the items were purchased from grants whose restrictions require accountability for tangible personal property to lower dollar thresholds.

II. Procedure:

A. Responsibility for property

1. The president of South Florida State College is directly responsible for all College property. The intermediate responsibility is assigned to the controller. The responsibility for property assigned to departments is delegated to property custodians at a level best able to control the custody of the property item(s). The Business Office is responsible for maintaining the College's property records. The property records that are maintained by the Business Office are to be kept in accordance with the rules contained herein. The property specialist works to facilitate and coordinate information and custody during the acquisition, moving, and disposal of property items.
2. Property custodians are responsible for ensuring the property under their control is adequately protected against theft, loss or damage, and is used for the benefit of the College. Property custodians are responsible for maintaining equipment under their control in proper working order.
3. If insurance is needed or recommended for property items and/or their use, the property custodian should consult with the controller to verify that the items or related exposures to equipment operation are adequately insured. Likewise, the controller will notify property custodians of any lapses or changes with insurance coverage.

4. Property custodians will notify the property accountant in writing of any property lost, stolen, or missing immediately upon discovery. The property accountant will coordinate the notification of the appropriate law enforcement agency if applicable and will forward all written documents to the controller.
5. Receiving/inventory staff will work with the property accountant, purchasing, and property custodians to coordinate the capture of property information and the tagging of College property with property identification numbers.
6. Property may be removed from College facilities only if it is being removed to perform College-related work, if repairs are to be made, or an approved loan has been executed. The Controller's Office must be notified in writing with proper approvals before property is removed (other than vehicles, laptop PCs, and other peripheral equipment).
 - a. If College property is to be used by an employee at a non-College site for a non-College purpose a Property Loan Request Agreement Form should be completed with the College controller, approved, and on file in the Business Office. Any property items leaving the College for non-College purposes, even those costing less than \$1,000 without property numbers, should be identified on the Property Loan Request Agreement Form.
 - b. College equipment is not to be used ordinarily on a loan or rental basis by other organizations or non-employees but exceptions may be made. A properly executed Property Loan Request Agreement Form will indicate the reason for the request and if any fees will be charged. The borrower is responsible for any damage to loaned equipment and will be assessed the replacement cost for un-repairable equipment or equipment not returned.
 - c. A purchase requisition requesting repair of property must be approved and forwarded to the Purchasing Department for items needing repair to be removed from College property.

B. Acquisition of property items

1. Property item identification

Each item of property as defined in this procedure shall be marked with an identifying number and the name of the College in a permanent manner. Grant items will have any other information marked on them as required by grantor provisions.

- a. Exemption – Any item of property whose value or utility would be significantly impaired by the attachment or inscription of the required

data is exempted from the requirement for physical marking. However, the College's property records must contain sufficient descriptive data to permit positive identification of such items.

- b. Location of marking – Items of a similar nature shall be consistently marked to facilitate ready identification of the items. Careful consideration must be given to the intended use of the item; the probability that the marking could be obliterated by wear, vandalism, or routine maintenance functions; and the appropriateness of the marking method chosen. Additionally, the location of the marking and the marking method chosen should not mar the appearance of the item.
2. Those receiving property are responsible for notifying the property accountant of the receipt of all property items. The property accountant will direct the marking of items with an identifying number. When marking new property items the property accountant will gather information on the item and summarize it on a Property Input Form to adequately identify the property item in the property system. Once completed, the Property Input Form will be forwarded to the Business Office for entry into the property system.
 3. Property custodians are responsible for supplying information on a Transfer and Disposal of Property Form to the Business Office to record:
 - a. Change in location (transfer)
 - b. Change in custodian (department)
 - c. Change in value
 - d. Deletions (including trade-ins)
 4. All property items of the College are to be received on campus in the area designated for central receiving, unless other arrangements have been made in advance. The Purchasing Department will notify the property specialist when special delivery instructions are made. Gifts to the College or the SFSC Foundation, Inc. are to be accompanied by a donor's statement of the value of the gift.

C. Property records

1. Financial records related to property expenditures will include control accounts by asset class. Entries to the control accounts will be derived from documents evidencing transactions affecting the acquisition, transfer, or disposition of property items and must be posted contemporaneously with entries to the individual property records.

2. Property records along with all financial transactions related to property acquisitions will be maintained in the College's Banner system. Expenditures will be reconciled to property system totals at least annually to ensure completeness and accuracy of both records. The reconciliation will reconcile totals for both capitalized and non-capitalized equipment and should be completed prior to running the depreciation process.
3. The capitalization threshold for property items is \$5,000 in the financial records. Property items costing less than \$5,000 are immediately expensed in the year purchased rather than depreciated over their useful lives.
4. Depreciation must be recorded to meet financial reporting requirements. However, depreciation must not be recorded on the individual property records or in the control accounts in such a manner as to reduce the recorded acquisition cost or value. Depreciation is to be done on a straight line basis over the useful life of the asset. Asset lives are established upon acquisition using the lives for asset types established within the "Accounting Manual for Florida's College System."
5. The College's property records will consist of the summation of all individual property records. Each individual property record must contain the following elements, as applicable:
 - a. Unique identification number
 - b. Description of the item or items
 - c. Physical location (campus, building, and room number therein)
 - d. Name of the custodian responsible for the item
 - e. If group accountability is established, the number and description of the component items comprising the group. For example, modular components of a desk receive only one property number as the constructed parts equate to one item
 - f. Name, make, or manufacturer
 - g. Year and/or model(s)
 - h. Manufacturer's serial number(s), if any, and if an automobile, vehicle identification number (VIN), and license plate number
 - i. Date acquired
 - j. Identification of ownership should be recorded to indicate the College's percentage of ownership.

- k. Cost or value at the date of acquisition for the item
 - 1) "Cost" means acquisition or procurement cost, i.e., invoice price plus freight and installation charges less discounts.
 - 2) Cost when there is a trade-in is still the cost without any trade-in value deducted from it.
 - 3) The basis of valuation for property items constructed by College staff must be the costs of material, direct labor, and overhead costs identifiable to the project.
 - 4) Donated items, including Federal surplus tangible personal property, must be valued at fair market value at the date of acquisition.
- l. Method of acquisition and, for purchased items, the check number or P-Card information if a procurement exception was granted.
- m. The funding source of purchases and any special grant requirements/restrictions related to disposal of property items. Equipment purchased with Federal moneys will include the grant name in addition to the Federal Award Identification Number (FAIN).
- n. Date the item was last physically inventoried and the condition of the item at that date.
- o. If disposed of, the disposition information as follows:
 - 1) Date of disposition
 - 2) Authority for disposition
 - 3) Manner of disposition
 - 4) Identity of employee witnessing disposition, if cannibalized, scrapped, or destroyed
 - 5) Notations identifying any disposition related transactions, e.g., trade-ins, insurance recovery, receipt for sale of item
 - 6) Reference to documentation that disposed surplus property was disposed in a manner prescribed by Florida Statutes 274.05 and 274.06

D. Property inventories

- 1. Annual inventory

- a. A physical inventory of all property shall be taken once each fiscal year. This is the process of verifying that a specific item exists and is in the location specified on the property record. It will be sight verification, not one obtained by letter or telephone. The individual taking the inventory will not be the custodian for the property.
 - b. The inventory shall be compared with the property record and all discrepancies shall be traced and reconciled. Custodians of unaccounted for items will be notified by letter of non-located property items so that the property custodian might identify the location of the not located item. Investigations to locate property items will be done as appropriate. Missing, lost, or stolen property items will be reported to appropriate law enforcement agency by the inventory taker. Copies of this report will be given to the property custodian and appropriate person(s) in the custodian's administrative structure.
2. Inventories other than annual
 - a. An inventory will be taken of property in the custody of a property custodian whenever there is a change in employment of a custodian. Upon satisfactory completion of said inventory, the property specialist or designee will sign the employee separation clearance form.
 - b. An inventory will be taken of any area that experiences any manmade or natural disaster so that property items for the location are identified and accounted for so that any loss is known at the time of the incident reporting.
- E. Moving or transferring the location of College property
1. No property will be moved to a new location without submitting a Transfer and Disposal of Property Form to the Business Office. This request must be initiated by the appropriate property custodian and acknowledged by the new custodian in the case of a transfer.
 2. The equipment being transferred/moved will remain on the inventory of the transferring department or office and will be the responsibility of that property custodian until the transfer is physically made and recorded by the Business Office.
 3. Physical plant personnel will make the physical transfer of property items in order to minimize risk of physical injury and property damage. A work request form must be submitted timely to the Office of Physical Plant.
- F. Surplus property and deletion/disposal of property
1. Surplus property

- a. When a department designates property as unneeded, the property will be removed from the department and declared surplus.
 - 1) If the equipment is still useable, the property specialist will store the item(s) and advise purchasing and the controller of its availability.
 - 2) If the equipment has been destroyed, cannibalized, or in a condition not safe to store, the property specialist will work to ensure disposal in accordance with both property and hazardous waste laws.
- b. Surplus property may then be transferred to other departments or offices of the College for use in other College programs.
- c. If it is determined that no other College departments or offices have need of surplus property, surplus property is to be offered to other governments and nonprofits in accordance with Florida Statutes 274.05 and 274.06.
- d. Surplus property that is not needed by entities within c. above will be held for disposal at a later sale, auction, or other means of disposal allowable within the law and grantor provisions if items were initially purchased with grant funds.

2. Deletion and disposal

No property may be declared surplus and removed from the property records without first obtaining the approval of the SFSC District Board of Trustees (DBOT). The Business Office is to be informed by use of the Transfer and Disposal of Property form of property to be deleted for the following reasons:

- a. Sold
- b. Traded
- c. Transferred to another government agency
- d. Transferred to a non-profit
- e. Parts salvaged
- f. Destroyed or junked

After DBOT action, a duplicate copy of the approved disposal will be returned to the department and then suitable disposition can be made.

3. If any property item is lost, stolen, or missing, the responsible property custodian will notify, in writing, the controller immediately upon discovery. Appropriate law enforcement and insurance authorities will be notified. The item will be presented to the DBOT as lost, missing or stolen and subsequently removed from inventory. If the item is later located, the controller is to be notified in writing immediately.

G. Disciplinary action

Employees violating College property procedures will be subject to formal disciplinary action, up to and including termination of employment and/or payroll deduction for lost, damaged, or unaccounted property based upon the results of administrative investigation/review.

HISTORY: Last Revised: 3/05/19

Adopted: 5/17/85

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