

**ADMINISTRATIVE PROCEDURE 6551 INVENTORY OF PROPERTY AND EQUIPMENT MAINTENANCE**

This procedure addresses the requirements for the inventory of property and equipment and Generally Accepted Accounting Principles (GAAP) which require the Peralta Community College District to maintain physical accountability and adequate internal control over the assets owned by the District.

**I. Roles and Responsibilities**

A. The Peralta Community College District Purchasing Department has been designated as the office responsible for maintaining and updating the equipment inventory records. The specific department designated this task is the District Warehouse Department. However, all departments are responsible for maintaining their own inventory list of property and equipment that supports purchasing inventory records. Purchasing inventory records supported by college records ensures compliance with audit requirements and standards. A quarterly report of each department's equipment list is to be forwarded to the District Purchasing Department for review and verification of accuracy.

B. Each college must assign a responsible staff person the function of recording and maintaining inventory listings, assisting with the annual inventory, communicating inventory information within the department, and assisting with the disposition and acquisition of surplus equipment. Equipment purchased via federal funds and grant funds will be assigned to the Grant Coordinator who will be responsible for verifying the accuracy of the physical inventory report for federal and grant funded reporting and billing purposes.

**II. Department and/or Grant Coordinators**

It is the primary responsibility of the department and/or Grant Coordinator to:

A. Educate the college departmental personnel in the inventory control requirements of the Property Equipment and Maintenance Procedure.

B. Enforce the compliance of these stated procedures within each department in order to ensure adequate equipment control and accurate reporting.

C. Transmit equipment acquisition, movement (permanent), and status information to the District Warehouse Department to meet reporting requirements.

D. Conduct quarterly physical inventory of equipment as required by the District's Purchasing Department for review and verification of accuracy of equipment records.

E. Establish and maintain records and conduct and report procedures that will serve to maintain the college Inventory Property and Equipment list.

F. Maintain a liaison with college departments associated with the use and procurement of grant funded equipment to assure compliance with all Inventory management requirements.

**III. District and Academic Departments**

Responsibility for the ongoing updating of equipment records lies with the department and/or Grant Coordinator, but this responsibility cannot be discharged without the cooperation and assistance of the individual department members.

Please note that it is the college's responsibility to:

- A. Notify the college Grant Coordinator and/or department management/personnel of equipment changes within the department. This would include changes such as location, condition, and usage.

- B. It is the department's responsibility to ensure that any equipment donated or otherwise obtained be added to the departmental inventory records.
- C. It is the responsibility of the individual departments to assist the department and/or Grant Coordinator in preparing equipment inventory reports quarterly for review by the District Purchasing Department.
- D. It is the responsibility of the college Grant Coordinator and/or college management/personnel to notify the District Purchasing Department of equipment that may be surplus to the department's needs and should be disposed of by the District Purchasing Department.

#### **IV. Physical Inventory**

A. For purchases of property and equipment in excess of \$500 or more (which includes multiple property sub-units which function together as a single unit), the District's Purchasing Department and Warehouse Department will tag and maintain an inventory for all equipment items purchased via general fund, donations, and federal grant expenditures, both state and federal funded. The District Purchasing Department and Warehouse Department shall at their discretion tag some lesser-value sensitive items that have a likelihood of being stolen (i.e., audio visual equipment, computer monitors, etc.).

B. Physical count of inventory for assets purchased with general funds, donated assets and items purchased with non-general funds, such as foundation and student club funds, will be conducted every two years by the respective department and compared against the inventory report of the District Purchasing Department and Warehouse Department.

#### **V. Value Determination**

Purchased assets are recorded at historical cost and include all applicable taxes and all appropriate ancillary cost less any trade discounts or rebates. In some instances, where the cost of the property may not be available, the cost of the asset may be estimated and used as the basis for capitalization.

#### **VI. Tagging and Logging Property and Equipment**

A. All assets exceeding \$500 in value and purchased via Purchase Order and delivered to the District Warehouse Department will be tagged with a PCCD Inventory Tag. College end-users receiving items that were delivered directly to the College, instead of directly to the District Warehouse Department, must notify Warehouse Department staff upon receipt of the item, so that Warehouse staff can log a PCCD Inventory tag for the item. Inventory tags will be sent to the end-user to affix to the asset.

B. When notifying the District Warehouse Department of receipt of an item, or when the District Warehouse Department logs the receipt of the item, the following information must be provided on the Inventory Equipment form and forwarded to the District Warehouse Department:

- (1) PO Number (for the purchased item)
- (2) Tag Number (Warehouse staff to provide)
- (3) College
- (4) Building Number/Name
- (5) Room Number
- (6) Requestor/User Name on the PO
- (7) Serial Number of the Item
- (8) Manufacturer's Name (or Vendor Name)
- (9) Model
- (10) Cost of the item (including all ancillary cost)
- (11) Date Received

## **VII. Donated Equipment**

Donated assets of tangible personal property valued greater than \$500 must be recorded at the property's fair market value. Donated items must be accepted through the Peralta Foundation or the District Office or the College. Donations over \$50,000 must be approved by the Board of Trustees before then can be placed in service. All donated items over \$500 are tagged with a PCCD Inventory Tag.

## **VIII. Transfers of Assets between Departments**

A. When an asset is transferred from one department to another, or to another building within the same department/college, the sending department shall complete the EQUIPMENT ACTION REQUEST FORM and forward it to the District Warehouse Department with the following information:

- (1) Requester Name and Date
- (2) Location of Asset
- (3) Action Requested (i.e., transfer, surplus)
- (4) New Building number/name, room number, and new user name
- (5) Description of the asset
- (6) Itemize each asset with the quantity, item, Serial Number, PCCD Number and estimated dollar value of the asset.
- (7) Obtain final approval from Business Manager/Department Head
- (8) Forward Equipment Action Request form to the District Warehouse for processing.

B. The District Warehouse Supervisor will note the new location of the fixed asset in the PROMT System and its database spreadsheet.

## **IX. Retirement/Disposal of Property and Equipment from Inventory**

A. Upon determination by a department that a fixed asset is either no longer needed or not serviceable, an EQUIPMENT ACTION REQUEST FORM is filled out by the department and forwarded to the District Warehouse Department. The following information:

- (1) Requester Name and Date
- (2) Location of Asset
- (3) Action Requested (i.e., transfer, surplus)
- (4) Building number/name (new building number if applicable), room number, and (current) user name
- (5) Description of the asset
- (6) Itemize each asset with the Quantity, Item, Serial Number, PCCD Number and estimated dollar value of the asset.
- (7) Obtain final approval from Business Manager/Department Head
- (8) Forward Equipment Action Request Form to the District Warehouse Department for processing.

B. Upon receipt of the approved Equipment Action Request Form, the District Warehouse Department staff will pick up the asset and move the asset to the storage area to await disposition. The EQUIPMENT ACTION REQUEST FORM will then be forwarded to the Purchasing Department for retirement of the asset in the PROMT system. The District Purchasing Department will consolidate the surplus items, and a couple times a year will obtain Board of Trustee approval for either the sale or disposal of the surplus items. All surplus disposals are conducted in accordance with Education Code Section 81450-81460.

**X. Lost or Stolen Property and Equipment**

A. When a suspected or a known loss of a fixed asset occurs, the affected department or Grant Coordinator should conduct a search for the missing property. The search should cover the possibility of transfers to other departments. If the missing property is not found, the Department Manager must be notified, and a Police Report must be filed with the PCCD Police Services.

B. The individual deemed to be primarily responsible for the asset, as well as that individual's supervisor, must complete and sign a statement detailing the events surrounding the disappearance of the asset, and must send that statement along with the EQUIPMENT ACTION REQUEST FORM to the District Warehouse Department. The District Warehouse Department staff will forward the form and statement to the District Purchasing Department for review and the District Purchasing Department will then forward it to the District Finance Department for removal of the asset from the PROMT system.

**XI. Physical Inventory**

A. A physical inventory of all fixed assets shall be conducted every two (2) years by the department or Grant Coordinator at the college. In addition, random periodic spot checks may be conducted by the District Purchasing Department to confirm the location of the selected fixed assets.

B. A list of qualifying assets in each building shall be printed out and carried into the building to determine if the asset is in its reported location.

C. Any assets permanently moved, lost or retired or upgraded must be recorded and communicated to the District Warehouse Department and District Finance Department. It also must be checked at this time if there are any assets in the building which are not listed, but obviously of value that would require them to be inventoried. All adjustments discovered shall be added to the inventory. The loss, destruction or retirement of any inventoried items must be reported to the Board of Trustees.

Reference:

A-102 Common Rule for equipment acquired under Federal awards  
Education Code Section 81450-81460.

Approved by the Chancellor: June 15, 2015