

Gadsden State Community College has a significant investment in fixed assets, such as land, buildings, fixed and moveable equipment, which are used to carry on the primary missions of instruction, research and public service. The purpose of this policy is to ensure that the College's fixed assets are acquired, safeguarded, controlled, disposed of, and accounted for in accordance with state and federal regulations, audit requirements, and generally accepted accounting principles.

## **A. What is required by the Alabama Community College System:**

- Institutions are **required** to maintain an annual inventory of capital assets in accordance with the amount prescribed by current federal government regulations for capitalization (currently \$10,000 or more). All costs incidental to the acquisition of assets are included in the value assigned to the asset.
- It is the responsibility of the President to delegate property management duties to the property manager for the institution. The property manager shall be responsible for accounting for all physical property of the institution and shall require a written receipt of property entrusted to the assigned custodial (other employees or officers of the institution). All inventories shall be subject to examination by any and all state auditors, employees of the Department of Examiners of Public Accounts, the Chancellor, and the Alabama Community College System staff. The property manager shall resolve discrepancies between official records and physical location of all property. Unresolved discrepancies should be reported to the chief financial officer.
- Gadsden State Community College Property Manager: Brentin Tucker
- Gadsden State Community College Chief Financial Officer: Jessica Slaten

## **B. What to do when purchasing a fixed asset:**

- The purchasing table in Banner finance provides information for items paid on purchase orders, which meet specified dollar values and account criteria, and a list of pending assets is generated. Items purchased with corporate purchasing card are not included.
- Inventory records for fixed assets are **required** to include the following components:
  - Complete Description
  - Manufacture's Serial Number, if Applicable
  - Acquisition Cost
  - Date of Purchase
  - Location of Equipment
  - Institution Property Control Number

- To keep a current furniture and equipment inventory, an equipment inventory system should include the following components:
  - Inventory Card or computerized system record that includes the following in addition to the required components for all inventoried assets:
    - ❖ Department Assignment
    - ❖ Location
    - ❖ Classification (Instructional, office, transportation, other)
    - ❖ Purchase Order Number
    - ❖ Source of funds (State, Federal, Local, etc.)
    - ❖ Disposition (record status when disposed, sold, or traded-in)
  - Inventory Ledger
  - Interdepartmental Transfer Form
  - Report of Missing Equipment Form. (When Institution equipment is lost, stolen, or destroyed, the property manager must file a police report.)
  - Disposal of Equipment Form.

### **C. What to do when Equipment is lost, stolen, or destroyed:**

- When institutional equipment is lost, stolen, or destroyed, the property manager should ***immediately*** inform the chief financial officer and contact law enforcement agency to file a report. An employee may be held responsible for the value of any item of equipment lost, stolen, damaged, or destroyed through his or her negligence. After a report has been filed with law enforcement, the institution may remove the stolen equipment from inventory. Any equipment that is removed from inventory the fixed asset custodian needs to fill out the “Deletion of Equipment” form and must include the supported and adequate documentation.

### **D. What to do when receiving a gift or donation:**

- All departments receiving a gift in kind (gifts other than cash and securities) should notify the property manager immediately upon receipt as the failure to comply with Internal Revenue Service regulations could result in a loss of the tax deduction to the donor and/or penalties to the College. When the donor’s claimed value of the gift exceeds \$5,000, IRS Form 8283 (Noncash Charitable Contributions) must be properly completed and attached to the donor’s tax return for the gift to be tax deductible. If the department receives this form from the donor, it must be forwarded to the property manager for completion.
- The “Addition to Equipment Inventory” form must be completed by the department to document fixed assets acquired through donation, fabrication, transfers from other agencies, or simply found in the department and not listed on the department’s inventory report. The form includes a description of the item, its current location, and (for donations) the donor’s name and address; any available documentation, especially if it supports the estimated cost or appraised value of the item, must be attached. The department must submit the form to the property manager within five days of the receipt (or discovery) of the fixed assets.
- Final acceptance of all gifts and donations of real property, by law, must be made by the State Board of Education. The president of each institution is authorized to accept designated gifts and grants on behalf of an institution and use these for purposes designated inasmuch as these

purposes are in keeping with the philosophy of the institution. An itemized report of all gifts and donations for each fiscal year shall be provided to the Chancellor by August 31<sup>st</sup> of each year.

#### **E. How to Tag Inventory:**

- Asset identification tags are affixed to each asset at the College unless it is not physically practicable. The department must contact the property manager to schedule an appointment to tag newly acquired assets or retag assets. During the tagging process, the property manager verifies the description of the asset, serial number, model number and location. All assets will be tagged with a sticker that says GSCC # \*\*\*\*\*.
- Components of an asset will be identified with the same number and location in Banner. Should a component be moved from one location to another, a "Transfer Request Form" is to be sent to the property manager.

#### **F. Disposal, Transfer, and Surplus of Fixed Assets:**

- Fixed assets custodians are responsible for safeguarding all equipment and other fixed assets assigned to their department, including items no longer needed, until the Surplus Property Report is signed, and the items have been removed by the person assigned by the Fixit Ticket. Custodians are responsible for reporting any disposals or transfers of assets with the property manager within five days of disposal or transfer with a completed form by email.
- Furniture and equipment deemed by the institution as surplus may be disposed of by auction or sealed bid sale. If property is sold through auction, the institution shall file Form DPE-22 which includes a list of the property to be sold, the auctioneer to be used, the location the auction will be held, and when and where the property will be advertised, with the Alabama Community College System. No property shall be disposed of, transferred, assigned, or entrusted to any other department, division, or employee thereof without the correct forms submitted to the property manager.

#### **G. Inventory of fixed assets:**

- Fixed asset custodians are responsible for conducting an annual inventory of assets in their department. Departmental Inventory Listings are available through the property manager. The custodian is responsible for ensuring that the information regarding the asset is correct and informing the property manager through forms and email of the changes such as location or change of custodian.
- Alabama Community College System requires custodians to sign a "Certification of Completion" indicating the date that the inventory is conducted. Property Managers are responsible for reviewing the inventory, making changes in Banner, and certifying on the same form that the inventory was conducted according to College policies and procedures and that it is accurate. During the annual audit performed by ACCS staff departmental inventories are reviewed and locations are checked.