Effective Date: July 1, 2013
Supersedes: Procedure 2.9, Effective Date April 1, 2012
Applies To: Colleges & System Office
Procedure Responsibility: KCTCS Office of Facilities Management

Property Inventory Control

Section 2.9.1 – General
Section 2.9.2 – Inventory Requirements
Section 2.9.3 – Annual Inventory
Section 2.9.4 – Disposition of Inventory Items

Section 2.9.1 – General

KCTCS as a public entity requires trust and confidence in the stewardship of the resources and assets bestowed it. In keeping with this trust, KCTCS' owned or leased equipment shall not be used for personal use and/or non-business related activities. An employee found to have used KCTCS owned or leased equipment for personal use resulting in the equipment being damaged or stolen is responsible for repair and/or replacement of the equipment.

The KCTCS Office of Facilities Management, Property Management Division is responsible for maintaining inventory control. Reporting and monitoring of KCTCS inventory will be maintained by using the following procedure.

Section 2.9.2 – Inventory Requirements

A. All non-expendable property with an acquisition cost of $1,000 or greater, high risk computer equipment $500 to $999 (such as, computers, laptops, and iPads), and capital assets which are classified with a cost of $5,000 or more, shall be maintained on a central inventory system as defined in Business Procedure 3.13, Section 3.13.7. Equipment inventory will be recorded in the Physical Facilities Inventory System with KCTCS' enterprise resource plan software -- PeopleSoft.

Computer related equipment such as desk-top computers, laptops and iPads costing more than $200 but less than $500.00 will also be tracked in the PeopleSoft. Whenever possible such equipment will be assigned either to a permanent fixed location or to an individual employee to aid tracking and accountability and provide a mechanism to help ensure the cleaning of its memory, removal of any licensed software, etc., when the item is no longer in service.

B. For purposes of this procedure and KCTCS' capitalization level, capital assets are those assets classified with an original purchase price of $5,000 or more. Please see Business Procedure 3.13 Capital assets. Business Procedure 3.13.

C. To be classified as non-expendable property an item must be a unit of furniture, an instrument, machine, or other apparatus having a useful life of 3 or more years.

D. With regard to the use of KCTCS equipment, all applicable KCTCS, state and federal regulations and laws shall be followed.

E. Other non-expendable property not meeting the criteria established in Section 2.9.2.A, shall be maintained on a list by college for purposes of inventory control and insurance claims reporting.

F. For tracking purposes, inventory personnel shall affix official property identification tags to the item(s). Inventory tags can be obtained from the System Office Facilities Management – Property Management Division. For purposes of inventory control, all newly acquired property shall be tagged before it is placed in service. If an item of equipment cannot be tagged, then it must be etched, or marked with fade resistant ink, paint, etc.

Section 2.9.3 – Annual Inventory

All colleges and the System Office will conduct an annual physical inventory of property prior to April 30th each year. The employee responsible for the custody of the property and their administrative unit head must sign off on the inventory and note any and all exceptions to the inventory. The signed report of the inventory shall then be forwarded through the appropriate channels to the System Office Facilities Management - Property Management Division for audit and recording keeping purposes.

Section 2.9.4 – Disposition of Inventory Items

1. Deleting property from the Asset Management System is the responsibility of KCTCS Facilities Management - Property Management Division. Prior to disposing of any equipment, form FM94 should be e-mailed to the KCTCS Facilities Management - Property Management Division requesting approval for disposal. The disposal or trade-in of personal property shall be in accordance with state and federal law as well as with KCTCS policy and procedure.

2. When items of equipment are stolen, an investigation must be made by appropriate police agencies. For insurance claim purposes a copy of the report concerning the investigation of the theft must be furnished to the

Property Management Division of KCTCS Facilities Management as soon as it can be obtained.

3. When equipment is missing or lost, the person responsible for the item should put in writing the details of how the item came to be missing. Included must be information concerning the disappearance of the item, the last time the item was seen, and the first time it was noticed missing. This report must be furnished to KCTCS Property Management Division of Facilities Management.

4. Personal property that is in good and operable condition and is surplus to the College's or System Office needs shall be offered to KCTCS colleges by the Property Management Division via e-mail. If offered free of charge, the equipment will be given to the first college to respond to the e-mail. If the college wishes to sell the item, the interested college offering the highest amount via an e-mail response, shall receive the equipment. Colleges shall be given 5 business days to respond to the equipment offer. The Property Management Division shall complete the transfer of equipment in the PeopleSoft Asset Management Module and confer with the System Office Accounting as to any effect to the party college's financial statements.

5. When personal property no longer has a useful life, is damaged beyond repair, or is surplus to the College's or System Office needs, discarding property may occur by several methods:

   1. Intra-college or inter-college transfer

   2. Use of the property as a trade-in the procurement of assets.

   3. Transfer to an entity of government within the Commonwealth at a price determined by KCTCS.

   4. Transfer to a nonprofit organization is permitted when at a price determined by mutual consent and in the Commonwealth's best interest. The nonprofit organization will be exempt from taxation under Section 501 (c)(3) of the Internal Revenue Code (excluding a religious organization), or a nonprofit organization eligible to receive surplus federal property pursuant to 41 C.F.R. 101-44.207(c), and organized under the laws of the Commonwealth, another state, or the District of Columbia, or chartered under an Act of Congress, lawfully doing business in the Commonwealth of Kentucky, and serving a public purpose of an essentially governmental, civic, educational, or charitable nature, after first receiving from the recipient agency the certification and evidence on nonprofit status. A computer Equipment Disposal Release (CEDR) form (FM 100) must be completed and forwarded to the KCTCS Property Management Division of Facilities Management.

5. Donation or sale of electronic devices to students. Computers and computer monitors may be given or sold to KCTCS students. Notice must be posted on campus at least two weeks prior to the give-away or sell. The posting or e-mail must include the price, if any, being charged and that equipment is available on a first come first serve basis, in as-is condition, and one per student. A CEDR form (FM100) must be completed for each item at the time of donation or sale and forwarded to the KCTCS Property Management Division of Facilities Management. Please refer to the Business Services web site or use the following link: Business Services Forms/FM100

6. Sale to the general public using GovDeals.com, sealed bids, or on campus auctions, which will be conducted by the KCTCS Property Management Division of Facilities Management. Disposal to the general public by sealed bid or on campus auctions shall be preceded by notice adequate to inform the general public of the sale.

7. Disposal is permitted in accordance with applicable state and federal waste management laws and regulations if the property is not suitable for transfer, trade, or sale. Electronic equipment such as computers, monitors, and televisions that contain hazardous materials must be disposed of through a recycler and are not permitted to be disposed of in a trash receptacle. For security purposes, all equipment that is able to store data shall be swiped to remove all sensitive information prior to disposal.

8. Restricted public sales to non-profit organizations or clients served by KCTCS.

END OF PROCEDURE