
TITLE:	Acquisition, Control and Disposal of Equipment
NUMBER:	1188.5
AUTHORIZED BY PRESIDENT:	9/8/97

I. Background

Whatcom Community College routinely acquires equipment through donation, gift, purchase, capital lease or self-construction. Policy 1188 directs the President to establish necessary procedures for the acquisition, disposal, maintenance, control and use of such equipment owned or under the control of the College. Accordingly, the following procedures shall apply.

II. Definitions

- A. *Capitalized Fixed Assets* are all assets acquired by the College that have a life expectancy of more than one year and a unit cost of \$5,000 or more. Such assets shall be capitalized, coded "JC", and included in the inventory control system.
- B. *Small and Attractive Assets* are all assets acquired by the College that have a life expectancy of more than one year, have a unit cost of between \$300 and \$5,000, are not secured, and fall into one or more of the following commodity groups as defined by the Office of Financial Management (OFM):
1. 10XX Weapon, Firearms, Signal Gun and Accessories
 2. 5822 Communications Equipment, Public Safety--Audio/Video
 3. 6651 Optical Devices, Binoculars, Telescopes, etc.
 4. 6710-6730 Cameras and Photographic Projection Equipment
 5. 7012-7013 ADP Configuration, Microcomputer Systems
 6. 7018 Data Communications Modems
 7. 7034-7039 ADP Accessorial Equipment
 8. 7730 Record Players, Radios, TVs, VCRs, Camcorders, etc.

Such assets shall be coded "JB" and included in the inventory control system.

- C. *Other Assets* are all other assets acquired by the College that have a unit cost of \$100 or more, but are not included under the definitions for *Capitalized Fixed Assets* or *Small and Attractive Assets*. Such assets shall be coded "JA," but shall not be included in the inventory control system.

NOTE: Items acquired by the College that have a unit cost of less than \$100 are not considered equipment assets and are not covered by these procedures.



III. Acquisition

The acquisition of equipment assets is subject to the same regulations, requirements and procedures as all other College acquisitions, including bid requirements, purchase requisition, purchase order, budget account information, etc. Questions regarding appropriate acquisition procedures should be referred to the Business Office.

IV. Receiving

Upon receipt of an equipment asset, the receiving office or department shall forward the packing list or other similar documentation, signed and dated, to the Business Office, which shall implement the appropriate accounts payable and other accounting processes.

V. Inventory Control System

A. Responsibility for the control of equipment assets is assigned as follows:

1. For items belonging to the Library, the library is the responsible control.
2. For computers and computer-related items, the Computer Support Group is the responsible control.
3. For all other items, the Business Office is the responsible control.

B. The Business Office shall maintain the supply of inventory identification number tags and shall record the issue thereof in an appropriate log.

C. When the packing list is received from the office or department, the Business Office is responsible for determining the category of asset received and, when appropriate, for issuing the necessary inventory identification number tags, as follows:

1. If the assets are computers or computer-related equipment, an appropriate number of tags are issued to the Computer Support Group, which shall be responsible for affixing the tags and creating the necessary inventory records.
2. In all other cases, an appropriate number of tags and a recording form are sent to the receiving office or department, which is responsible for affixing the tags and returning the completed form, including tag number, item description and serial number, to the Business Office. The Business Office will create the necessary inventory record.

D. At least once every two years, the unit responsible for inventory control shall arrange for a physical inventory count of its assigned assets in accordance with OFM regulations 3.1.2.2.11, Physical Inventories. The inventory count shall be conducted by an independent party who is not directly responsible for the assets or the affixing of the inventory tags. The results of the inventory count shall be reported to the Business Manager and shall be available for audit as requested.

E. The units responsible for inventory control shall also conduct periodic risk assessments and review the internal controls over the assets, as appropriate, and shall make recommendations



for changes in capitalization standards, small and attractive asset standards, physical security, and other related control matters to the Dean for Administrative Services and the Business Manager.

VI. Use and Maintenance

- A. Each office and department is responsible for the prudent use, care and maintenance of its equipment. When available and appropriate, the manufacturer's suggested instructions for use and maintenance should be followed.
- B. Equipment maintenance requirements that exceed the resources or capabilities of an office or department are not automatically assumed by the College's facilities maintenance staff. Offices and departments should consult with the Facilities Manager regarding College maintenance of equipment and consult with the Dean for Administrative Services or the Business Manager regarding the cost effectiveness of purchasing an external contract for maintenance.

VII. Transfer

When an equipment asset is transferred to another office or department within the College, the sending office or department should notify the appropriate inventory control unit of the transfer so that inventory records can be adjusted accordingly. The notification should include the inventory identification tag number, the sending office and the receiving office. The inventory control unit will update records as appropriate.

VIII. Disposal

- A. When an office or department determines that an item of equipment is no longer needed or no longer functional, it shall notify the appropriate inventory control unit. The notification should include the inventory identification tag number.
- B. The office or department and the inventory control unit will consult to determine whether the item might have other College uses, now or in the future, and should be transferred to another office or to storage. (If so, see VII. Transfer.)
- C. An item of equipment that is declared surplus and no longer needed by the College must be disposed of by one of the following methods:
 - 1. Advertised Store Sale
 - 2. Advertised Bid Sale by Lot
 - 3. Advertised Bid Sale of Individual Item
 - 4. Redistribution or disposal through the State Surplus Property Unit

Offices or departments with surplus property should consult with the Business Manager regarding the appropriate option.



- D. If an item is damaged beyond repair or otherwise no longer has any value, it may be disposed of as trash without following any of the procedures in Section VIII. C. NOTE: Such items may not be given away because, by definition, if someone wants it, it has value.
- E. When an item of equipment is disposed of under Sections VIII C. or D., the appropriate inventory control unit should adjust the inventory records as appropriate.
- F. When an item has value only as parts for the repair of other equipment, the item may be removed from the inventory with an appropriate disposition records "as parts."

IX. Other Provisions

If an equipment control circumstances not anticipated and not covered by these procedures should arise, the appropriate federal or state regulation or requirement governing such circumstance is deemed to be also the College's procedure.

X. Reference

How to Dispose of State Surplus Property, Washington State Department of General Administration, Division of Commodity Redistribution. October 1993.

