

C.2.7.4 (Procedure) Property Management: Inventory Control

Responsible Department: Vice Chancellor for Finance and Administration

Based on Board Policy: [C.2.7](#) Equipment/Property Management

Approved: 7-12-12

Last Amended: 6-9-15

Property for the purposes of these procedures is defined as all artwork, furniture, equipment and other movable property, excluding only real property and non-movable fixtures. All property acquired, requisitioned, donated to or otherwise obtained by Alamo Colleges is subject to all applicable federal, state and local laws and regulations, institutionally funded and grant-sponsored contract requirements, and Alamo Colleges' policies and procedures. When in doubt concerning inventory questions, employees are encouraged to contact Inventory Control for guidance to ensure compliance.

The Inventory Control Department, as part of Finance and Administration, is responsible for the coordination, development and implementation of the policies and procedures for property inventory management.

The components of this system were developed to facilitate good business practices, improve internal controls and establish accountability for property acquired through a purchase, lease, donation, transfer, or other approved means. The major components of this system and the assignment of responsibilities are included in the remainder of this procedure.

In accordance with Property Management Policy [C.2.7](#), the following procedures under Property Management are further expanded to include:

- Accounting for Property (including disposal)
- Property Thresholds
- Ownership of Property
- Responsibility and Accountability for Property
- General Rules Governing Acquiring and Tagging Inventory
- Property Management System of Record
- Physical Inventory
- Reconciliation and Certification

Accounting for Property

The life cycle begins on the date the property is acquired and must be accounted for until its disposition. All property should be acquired by one of the methods below:

- Purchase
- Lease
- Donation/Gift (Must be coordinated through Institutional Advancement)
- Furniture and Equipment furnished by Construction Contractor
- Trade-In (Coordinate through Purchasing)
- Transfers (Coordinate through Purchasing)

All property should be disposed of by one of the methods below:

- Surplus (Includes Transfer, Coordinate through Purchasing)

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- *Thefts (Report to Alamo Police/Inventory Control)

Thefts or property missing must be reported to ACPD within 24 hours of discovery.

Process:

1. Inform your supervisor/Property Steward.
2. Contact Alamo Police to file a theft report. Obtain a copy of report.
3. Send copy of report to Inventory Control for inventory adjustment.

If item is located later, the item can be reinstated. If item is located later, please notify Inventory Control to initiate reinstatement.

All property must be disposed of through appropriate disposal procedures. Proper disposal is to relinquish ownership by transfer or disposition through Surplus Property.

See Procedure [C.2.7.3](#) Disposal of College District Property

Property Thresholds

Property Thresholds are defined as:

Classification	Original Cost	Examples
*Capitalized (Tagged)	\$5,000 or greater	file servers, forklifts, simulators, training equipment, vehicles
Controlled (Tagged)	\$1,000 and \$4,999.99	pianos, scanners, furniture
*Controlled – high risk (Tagged)	regardless of cost	cameras, camcorders, desktops, iPads, laptops, printers, projectors, guns
Un-Tagged	Regardless of cost	Furniture, equipment, supplies and other property below controlled or capitalized thresholds

Property defined by thresholds must be purchased according to purchasing guidelines. Donations must be approved by the Board of Trustees prior to acceptance. If any donation is valued in a property threshold category, these items will be tagged with a control barcode. All property will be added to the inventory and maintained by the custodial department.

*Additional information for capitalized assets may be found under policy [C.1.11](#) Accounting for Capital Assets.

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Ownership of Property

All property is owned by Alamo Colleges and custodial responsibility is assigned by college/district and a specific department. The district has sole ownership of all equipment acquired regardless of source of funding or method of acquisition with the following exceptions:

- The federal government or other sponsor retains ownership of property furnished for the duration of sponsored contract.
- Property owned by an employee of the Alamo Colleges and is labeled as “Property of *‘Employee Name’* w/date”
- Leased Equipment – Leased equipment must be labeled as “leased” with appropriate vendor contact information and must be maintained by department until contractual lease expires. Leased equipment in Alamo Colleges’ possession must be safely secured and inventoried by the Property Steward until custody is returned to the vendor.

All property must be properly identified and/or labeled accordingly and secured by the custodial department.

Property transferred between departments must be documented using the official transfer process to ensure the ‘receiving’ department accepts ownership of the property and the transferring department is released.

Responsibility and Accountability for Property

All employees are responsible for protecting Alamo Colleges’ property and adhering to inventory procedures to ensure that property can be accounted for and maintained.

Property Steward:

The budget manager is the Property Steward (PS) responsible for ensuring that all employees adhere to inventory control procedures. The Property Steward may appoint a Property Assistant (PA) to assist with coordinating and maintaining inventory within their department. This person is required to take training on the District approved inventory management system.

Department budget managers (Property Stewards/Assistants) are responsible for:

- establishing and enforcing inventory procedures for property assigned to the department
- ensuring that all staff employees attend inventory training
- ensuring property is accounted for at all times

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(For further job responsibilities of the budget manager, please see the Budget Manager Guide on the Finance and Fiscal Services Alamo share site.)

Property Assistant:

The Property Assistant (PA) is the primary liaison for maintaining the day to day routine inventory matters and will coordinate with Inventory Control staff regarding all aspects of property management within their department. The PA will also maintain all related inventory documentation including purchasing, transfer and disposal information. This person is required to take training on the District approved inventory management system.

Purchasing is responsible for:

- Providing oversight for all property transfer forms.
- Coordinating property moves, changes and disposals between departments, Materiel Management and Inventory Control.
- Assuring request documentation is completed.

Inventory Control is responsible for:

- Recording and tagging inventoried property in a timely manner.
- Assigning property to department inventory accounts.
- Recording adjustments and/or disposition of inventory.
- Reconciling financial records to physical property records.
- Conducting annual inventory/reconciling physical inventory differences in collaboration with each college/district.
- Training department personnel.
- Administering and conducting the physical inventory of property.
- Providing annual inventory certifications to college Presidents and Vice Chancellors for signature.

General Rules Governing Acquiring and Tagging Inventory

All property institutionally controlled, capitalized and/or considered attractive high risk items:

- Must meet current high risk, controlled and capitalized thresholds.
- Must be clearly itemized on the original requisition.
- May not have combined funding sources unless approval is obtained from Finance.
- Must be identified by the appropriate Banner expense account code.
- Will be tagged with a barcode label and inventory number.

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- Must be reported to Inventory Control within five (5) business days of receipt.
- May only be purchased for official Alamo College business.
- May not be bargained for trade without consulting with Purchasing.
- May not be purchased to be given away without appropriate committee and leadership approvals.
- May not be returned to the vendor without proper documentation and appropriate notification to Inventory Control.

The requisitioning department is responsible for notifying Inventory Control no later than 3 to 5 business days of receipt or return of the property.

The above actions will ensure the Property Steward has:

1. Approved and assumed custodial responsibility for the property.
2. Confirmed acceptance so vendor can be paid.
3. Coordinated with Inventory Control to ensure the new purchase is added to inventory and properly labeled, scheduled the purchase for tagging and that all appropriate funding source information is reconciled to the district's financial records.

Off-Campus Property

An Off-Campus Property Form must be completed by the requesting employee and all approving signatures obtained prior to the release of the property. The completed form must be kept on file and with the item at all times and submitted to the Inventory Control department for official update to the district inventory system.

When Alamo Colleges' property is taken off-campus, the employee assumes financial responsibility for the property and if negligently lost or stolen will be required to replace the item or reimburse Alamo Colleges for the cost of the item regardless of whether or not approval has been obtained. Failure to comply with obtaining authorizing approvals may result in disciplinary action taken on the employee and/or Property Steward and may result in budget reduction to department/college budget.

Property Management System of Record

Alamo Colleges has obtained a property management system (the System) for all property which is electronically maintained on-line with the support of barcode and scanning technology. The System is used as a subsidiary ledger to record and track equipment which meet the capitalized and controlled thresholds and is reconciled against the general ledger for any property originating through the acquisition process in the Banner Financial System.

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The System contains pertinent information, including but not limited to:

- Barcode Tag Number
- Location (Campus, Bldg and Room)
- Last Date of Physical Inventory
- Description of Property
- Custodial Department Inventory Account
- Original Acquisition Cost (OAC)
- Purchase Order
- In-Service Date
- Original Funding Source (OFS)
- Serial Number
- Manufacturer
- Historical Data

Departments will log changes to locations and transfer of property to other departments into the System and their Property Stewards will be required to attend annual inventory training to stay current with Inventory Control procedures and guidelines. All property inventory reports and statistical analysis will be executed utilizing data from the System in order to comply with annual reporting requirements.

Physical Inventory of Tagged Property

An annual inventory of Tagged Property will be conducted by the Inventory Control department in collaboration with each college/district. Each department is responsible for keeping inventory and records up to date at all times. This may require the department to perform its own periodic inventory.

All communication will be coordinated through each college Vice President of College Services, Vice Chancellor or Administrative designee.

All property which meets Alamo College thresholds and has been requisitioned, donated or otherwise obtained will be tagged with a barcode and inventoried as required by State of Texas Statutes and Regulations.

Inventory Control may conduct random audits to ensure all the property is accurately recorded.

Reconciliation and Certification

The physical inventory is reconciled to the financial records by Inventory Control in cooperation with the departments after the physical inventory is conducted. The appropriate official will be responsible for certifying that the physical inventory has been conducted and verified by a

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department representative. As a final step, items not reconciled will be deducted from the appropriate college/department budget with the appropriate disciplinary action taken.

Reconciliation of Inventory Process:

- Property Stewards and Property Assistants maintain a current inventory count throughout the year.
- Physical inventory performed annually by Inventory Control staff, coordinated via College Vice President/Vice Chancellor
- Inventory field work completed – preliminary results and exceptions identified
- Departments have two week reconciliation period to locate exceptions
- Report submitted to college President/Vice Chancellor (VC)
- College President/VC or designee certifies the results of the inventory

Possible consequences for missing inventory:

- Reduction in department budget
- Disciplinary action for employee
- Mandatory refresher inventory training

References:

Gov't Code, Sec. 403.271; Property Accounting System

Board policy [C.2.7](#) – Equipment/Property Management

Board policy [D.1.1](#) – Compliance with Policies and Procedures

Ethics Handbook – Code of Conduct