



ALAMO COLLEGES DISTRICT
St. Philip's College

TITLE III EQUIPMENT PURCHASE AND INVENTORY

POLICIES AND PROCEDURES



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PURPOSE:

At St. Philip's College, it is clearly understood that "*equipment*" is a special category of purchase and is subsequently maintained in inventory according to proscribed procedures of many agencies. For example, both State and Federal agencies, in addition to Alamo Community Colleges' Purchasing Departments, define which goods are equipment and how it will be inventoried. The purpose of the following paragraphs is to record and describe those procedures and policies for buying and inventorying equipment.

DEFINITION:

For State purchasing purposes, "*equipment*" shall mean those items having an expected useful life greater than one year. For inventory purposes, "*equipment*" shall mean those items having a unit value of more than \$5,000 **and** a useful life of more than one year. This policy definition is an amalgam from several sources:

1. The Federal government, which defines equipment as "*tangible nonexpendable personal property including exempt property ... having a useful life of more than one year, and an acquisition cost of \$5,000 or more per unit*"; However, OMB Circular A-110 allows lower limits in accordance with a grant recipient's local policy;
2. The State of Texas describes equipment as items with an expected useful life greater than one year; and
3. St. Philip's College, which have both adopted the Alamo Community Colleges' equipment definitions and purchasing policies.

SOURCE OF PURCHASE:

Title III equipment that is controlled and maintained on St. Philip's College campuses and offsite locations shall use Alamo Community Colleges' Purchasing Department, which processes orders for departments using State appropriated and other documents required to purchase equipment. Upon delivery of equipment, it will be tagged and bar coded, and delivered to the receiving department and/or division.

PUURCHASING EQUIPMENT:

All purchased equipment using Title III funds are bought from a supplier on an approved purchase order. All sources require the requesting departments to prepare a requisition and submit it to the Title III Grant Management Office before it is sent to Purchasing. Normally bids are solicited by St. Philip's College for purchase of equipment totaling more than \$5,000, unless the equipment is available on GSA contracts. The Veterans Administration has similar requirements unless the equipment is available on GSA contracts. Generally, the Foundation does not require bids. However, the Research Corp. does when it is practical or desired by the grant recipient. For all Research Corp. purchases, the requested equipment must be authorized by the grantor and included in the grant budget. Upon approval by the appropriate buyer, Director of Purchasing or designee, the signed purchase order is released to the supplier authorizing shipment to the designated receiving department.

RECEIVING EQUIPMENT:

Upon delivery of all equipment, it will be checked-in against the purchase order to insure that the correct equipment was received and in good condition. Equipment which is a leased purchased will be tagged at the end of the lease purchase term. All other purchased and donated

equipment will be tagged upon receipt. After property tags are affixed to the equipment, it is delivered to the requesting department and/or division.

EQUIPMENT RECORDS:

Until an item of equipment is removed from St. Philip's College inventory, all original receiving source documents for that item shall be kept on file. At a minimum, that shall include the packing slip or freight bill, and the delivery ticket acknowledging receipt of the equipment by a representative from the requisitioning department. If hard copy purchase orders have been issued, a copy shall be maintained by receiving. There shall also be annotated on the receiving document the serial number of the equipment and the assigned property tag number. For donated equipment, a copy of the certified appraisal shall also be maintained on file. For any item of equipment deleted from the inventory records, the original authorizing source document shall also be kept.

MAINTAINING THE EQUIPMENT DATA BASE:

St. Philip's uses Wise Track as its inventory database also applicable to Title III. The Receiving department shall be responsible for entering data and maintaining all updates on all equipment processed through its receiving function. All fields in the database of the equipment inventory program shall be completed to the extent possible, in accordance with Alamo Community Colleges guidelines. The source document for entries in the database shall be the usual receiving documentation and the log of all assigned tag numbers. This log shall be maintained in the receiving department and/or division and shall be updated as tag numbers are assigned. If an item, cost will be recorded from the invoice; it shall include freight and installation.

As physical inventories are conducted and equipment is removed from use, appropriate entries in the inventory program shall be made. This shall include such entries as date of last inventory, changes in location of the equipment, and annotating "*delete*" in the Remarks field to identify disposed equipment. If known, the disposal date, method, and price (if applicable) shall also be entered.

EQUIPMENT REPORTS:

Several different reports shall be run throughout the year based upon the information contained in the equipment inventory database. They are as follows:

1. Quarterly, listing of all additions to the inventory to the Title III Grant Management Office for equipment purchased using Title III funds.
This list shall be used to update records.
2. Annually, a total listing of all Title III equipment purchases printed and tag number sequence used for the year.
3. Annually, a listing department and/or division owned equipment should be provided to the Title III Grant Management Office for reconciliation purposes. This listing shall be printed in tag number sequence by department and/or division code and shall be provided to the Title III Grant Management Office by October 1.
4. Annually, to comply with outside financial audit standards, the following shall be provided by Vice President of College Services using reports from the computerized inventory program:
 - A. a beginning inventory value;
 - B. a list of all Title III owned equipment additions and deletions with a total for each list;

C. an ending inventory value.

EQUIPMENT INVENTORIES:

Per Alamo Community Colleges Inventory Control, a physical audit of all equipment shall be done annually. Discrepancies shall be reconciled to the extent possible with a subsequent report provided to the Vice President of College Services by December of each year. A reconciled copy shall be provided to the respective department and/or division heads.

DEPARTMENTAL RESPONSIBILITIES:

The security and physical safeguarding of equipment is the responsibility of the department and/or division possessing physical control. If equipment is moved from one room or department to another, the department **must** notify receiving to update the inventory records. Equipment may **NOT** be cannibalized, thrown into the dumpster, or trashed in any way. Trading in used Title III equipment for new will require approval of the Title III Grant Management Office. This will be documented on the purchase order. Transfers of equipment to another department and/or division shall be in accordance with Alamo Community Colleges guidelines.

If equipment is picked-up from supplier, or supplier delivers equipment directly to the requesting department and/or division, it will be the responsibility of department and/or division to take equipment to receiving for it to be tagged. Department and/or division must provide the appropriate packing slip, freight bill, or other necessary documentation. Questions regarding any equipment in inventory shall be directed to the respective receiving department and/or division for resolution.

RECEIVING/INSPECTION/SHIPPING/INVENTORY CONTROL

Receiving and inspection of supplies and equipment are very important, but often overlooked aspects of procurement. Without adequate receiving procedures, the effort expended in writing specifications, bidding, and buying is meaningless. Only with effective receiving and inspection can St. Philip's College be assured of obtaining the correct products ordered.

Receiving areas are maintained at the Alamo Community Colleges, each receiving area is provided with electronic or paper copies of all purchase orders issued using Title III funds.

Change orders or cancellations are also shared in the appropriate format with the receiving areas.

Receiving department and/or division accepts all shipments except COD deliveries. Supplies and equipment will not be released or delivered until an approved purchase order has been received or it is confirmed that the purchase was against a State approved vendor. It is our goal to deliver goods to the destination shown on the purchase order.

When making inquiries to the receiving department and/or division as to receipt of material, please have the vendor's name and purchase order number available. Because external funds are being used and because of the huge volume of daily deliveries it is impossible to locate items without good information.

INSPECTION

All packages are checked for visible damage before acceptance. The packages are then opened and examined for concealed damage and specific requirements as to the correct quantity, catalog number, make, model, and general description of the item(s) against approved purchase order. However, credit card shipments are not; they are simply delivered to the department.

A direct delivery ticket are generated for each purchase order. The direct delivery will insure that accounting will issue proper payment of invoices. For this reason, it is extremely important that

all deliveries of goods come through proper channels, and as soon as the items are received.

Problems can occur when receiving material against purchase orders. All errors and damages found at the time of receipt will be reported to the vendor by the receiving department and/or division. If concealed damage or errors are discovered after delivery has been made to, the department and/or division will need to contact purchasing immediately. Do not use any of the material and save all packing material. Please note that material ordered incorrectly by the department may result in restocking and shipping charges, which the department must pay to the vendor. Problems with credit card shipments, including duplicate shipments, are the responsibility of the department and/or division.

DOCUMENTATION

After the department and/or division sign the equipment or supplies, one copy of the delivery ticket will be given to the department and/or division for its files and the original shall be kept in Purchasing. If the item is an inventorial piece of equipment, the serial, model, and inventory tag numbers shall be annotated on the packing slip or other receiving documents for the particular order.

Delivery tickets shall be kept in Purchasing Department by date in a monthly file.

Packing slips and freight bills can be filed singularly or together in purchase order sequence.

If hard copy purchase orders are used, a copy shall be maintained in Purchasing. Proof of delivery to the department and/or division, packing slips, and freight bills will be filed with the appropriate purchase orders. These files shall be maintained in purchase order sequence.

Receipts of goods shall also be reported to the Accounts Payable Office.

Textbooks can be delivered to the department and/or division without a delivery ticket, because this is generally unsolicited material. Sometimes known, as white slips will be used to document the receipt of important or replacement items. Generally, such items are not being

shipped against a purchase order. However, proof of delivery may be important. These files shall be maintained in date sequence.

SHIPPING

The receiving department coordinates the shipments of all outbound goods. They are shipped via air, ground, or motor freight. Each package must be properly packaged, sealed, and labeled by the department and/or division. The department's org and fund number must be noted on the outside of the package for billing purposes. If equipment is being shipped to a vendor for repair, the department must prepare a purchase order in advance to cover shipping charges. It is the responsibility of departments and/or divisions for appropriate service for delivery.

INVENTORY

All equipment purchased using Title III funds will become St. Philip's College property upon receipt and inventoried. Items costing more than \$5,000 and having a useful life of one year are part of inventory items for the College. Donations and lease purchases meeting the above criteria will also be included. All equipment must be inventoried by assigning a numbered property tag, recording the proper information as to model, serial number, etc. and maintaining it in the inventory database, WiseTrack. If equipment needs to be returned to the vendor, please notify the Purchasing Department and Title III office so adjustments can be made to the inventory records and tags can be removed.

Title III equipment with no value can only be cleared from the inventory by following federal regulations. If equipment has no value it can be sold at public auction, sent to surplus property, donated or transferred to another college department, or traded on new equipment. Surplus equipment with no value must be sent to the Purchasing Department with notification to the Title III office for proper disposal so adjustments can be made to inventory records. St.

Philip's College property with no value can be sold. Equipment **cannot** be cannibalized or destroyed and thrown into dumpsters by St. Philip's College staff, faculty, or students.

The security of St. Philip's College equipment is the responsibility of the department possessing physical control. Ultimately, departments and/or divisions are responsible for Title III equipment assigned to their areas. If equipment is moved to a new location or from one department to another, please notify College Services. This helps keep the departmental inventory accurate. Alamo Community Colleges conducts an annual physical inventory of St. Philip's College owned equipment every year. This District inventory is also used as a means to track/monitor Title III inventory.

REPORTING LOST, STOLEN, DESTROYED, OR OTHERWISE DISPOSED EQUIPMENT

Title III through St. Philip's College adheres to the inventory management guidelines published by State Inventory Control for all State agencies. In addition, other procedures have been adopted that are appropriate to colleges and universities when reporting equipment that is not sold, transferred, or traded.

Following are the specific guidelines:

LOST EQUIPMENT

The department and/or division shall address a letter to the Title III Grant Management Office, College Services and District Purchasing Department explaining the loss. The letter shall be signed by the department and/or division appropriate Vice President for endorsement. The letter should explain what actions would be taken by the department and/or division to prevent future losses. If the loss is justified, College Services will remove the equipment from the inventory.

STOLEN EQUIPMENT

If any equipment has been stolen, the department shall report the theft to Alamo Community Colleges' Department of Public Safety. A copy of the police report and a letter, explaining all known facts regarding the theft, shall be addressed to the Vice President of College Services and Title III Grant Manager. This letter shall be signed by the department and/or division appropriate Vice President for endorsement. The letter should also address any action the department and/or division will take to improve security in the area. Upon approval by College Services, the equipment will be removed from the inventory.

DESTROYED EQUIPMENT

Title III equipment may **NOT** be destroyed and thrown away by St. Philip's College faculty, staff, or students. However, if it has, the department and/or division shall explain the circumstances in a letter addressed to College Services Vice President. This letter will be signed by the department and/or division appropriate Vice President for endorsement. The letter should also indicate what steps will be taken to insure that such destruction of St. Philip's College property does not occur in the future. If approved by College Services, the equipment will be removed from the inventory.

OTHERWISE DISPOSED EQUIPMENT

This category shall include those situations that do not meet the above criteria. For example, if a contractor removed installed and tagged equipment during a renovation and takes it to the landfill. In this instance, the department and/or division shall explain the circumstances in a letter to the College Services Vice President and Title III Grant Manager. Route the letter through the applicable Vice President for endorsement. If the circumstances warrant, the Vice President of College Services will remove the equipment from inventory.