

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
BUSINESS PROCEDURES MANUAL

Procedure 2.2
Page 1 of 3

Effective Date: April 1, 2009
Supersedes: Procedure 2.2 dated August 15, 2005
Applies To: System Office and Colleges
Procedure Responsibility: Facilities Management

Annual Physical Asset Inventory

Section 2.2.1 – General

Section 2.2.2 – Scope of Responsibilities

Section 2.2.3 – Inventory of Buildings and Infrastructure

Section 2.2.4 – Capital Equipment and Vehicle Inventory

Section 2.2.5 – Adding Capital Assets

Section 2.2.6 – Unlocated or Missing Capital Assets

Section 2.2.1 – General

Assets and inventory are a major component of KCTCS financial resources. Assets are identified as equipment valued at \$5,000 and over while inventory has a value of \$1,000 to \$4,999 including high-risk items \$500-\$999. Assets classified as Sculptures/Collections are considered non-depreciable and must be entered in category (account 14575). In order to provide accountability and due diligence, and ensure that the correct value is recorded; all KCTCS assets must be inventoried on an annual basis. This procedure establishes the process for the annual inventory.

Section 2.2.2 – Scope of Responsibilities

- A. The Office of Facilities Management, Division of Property Management is assigned the responsibility for inventory management and coordination for KCTCS.
- B. The Division of Property Management is assigned the responsibility to conduct the annual inventory of assets located at the system office.
- C. Each district (Chief Business Officer or the college business officer) is assigned the responsibility to conduct the annual inventory of assets located at all campuses within a district. There will be two separate inventories, one of capital assets and one of inventory related items.

Section 2.2.3 – Inventory of Buildings and Infrastructure

The Office of Facilities Management, Division of Property Management is assigned the responsibility to conduct the annual inventory for all buildings and infrastructure within KCTCS regardless of location.

Section 2.2.4 – Capital Equipment and Vehicle Inventory

- A. The system office and each college district must complete an annual inventory of all capital assets and vehicles assigned to their location by November 1.
- B. Each college is to submit an asset report by October 1 indicating the status (located or unlocated) of each capital asset to the Director of the Division of Property Management, Office of Facilities Management. In addition, the report must include any capital assets without a property tag and donations that have not been previously identified. The Chief Business Officer of the college district must sign and certify the inventory results on the report.
- C. During the period of October 1 to May 30, each year staff from the Division of Property Management will perform an audit of each college's asset report with a focus on unlocated capital assets and untagged assets. Results of the audit will be reported to the college Chief Business Officer.
- D. Each college is to provide written documentation indicating the final status of assets not located to the Director of the Division of Property Management, Office of Facilities Management by June 15, each year. In addition, documentation must be provided concerning actions taken on capital assets without a property tag including items that may have been donated. The Chief Business Officer and CEO of the college district must sign and certify the inventory results on the report.
- E. The Division of Property Management will report the final inventory results with the dollar value and percentage of both located and unlocated capital assets to the Division of Accounting, Office of Business Affairs, by June 30 each year. In addition, the Division of Property Management will make the necessary adjustments to the Asset Management System and general ledger from the final inventory results. Only the Division of Property Management is authorized to remove assets from the inventory system.

Section 2.2.5 – Adding Capital Assets

All capital assets received during the year should be added into asset management within the same month as the item was received whenever possible. At the end of the fiscal year, all capital assets received prior to June 30 must be entered into asset management before the final year end cut off date as established in the year end closing schedule.

Section 2.2.6 – Unlocated or Missing Capital Assets

- A. The Division of Property Management will make the necessary adjustments to the Asset Management System and general ledger for missing assets with a remaining non-depreciated value charging the asset gain or loss account.
- B. The Division of Property Management will provide the Division of Accounting, Office of Business Affairs, a list of missing assets that have been fully depreciated assets by June 30.

END OF PROCEDURE