

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM  
BUSINESS PROCEDURES MANUAL

Procedure 7.8  
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Applies To: Colleges  
Procedure Responsibility: Business Services

## **Live Work Projects**

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### **Section 7.8.1 – General**

1. Live work is defined as a job order using student labor which serves as a project to complete a curriculum requirement – the project must be appropriate to the students' academic objectives. Live work includes all student projects conducted on and/or off campus, except for class instructional activities that do not involve personal property or personal gain. Barbering, Cosmetology, Culinary Arts, Dental Hygiene, and Massage Therapy are excluded from this procedure, but are to follow prudent business practices with instructional methods that involve the public. Also, for these specific departments, please refer to Business Procedure 3.12 relating to cash handling procedures as well as written cash handling procedures developed locally at each college.
2. A college department may authorize a live work project when the faculty member determines the project appropriate for educational purposes. Colleges are not obligated to accept live work projects with specific discretion to refuse a request at the individual instructor level.
3. Employees and representatives of the Kentucky Community and Technical College System (KCTCS) and its colleges shall not warrant, guarantee, or be liable for any live work performed, nor shall any KCTCS employee or representative be responsible for the theft or loss of any article or articles that may be left in the labs/shops for any reason.

4. All applicable KCTCS policies and business procedures are to be followed and all applicable live work project forms are to be completed fully in performing live work unless noted otherwise within this procedure.
5. Exceptions to this business procedure require prior approval of the KCTCS System Director of Business Services.

### **Section 7.8.2 – Standards**

A college accepting live work shall adhere to the following operating standards:

1. Live work projects shall not be of a production nature or in competition with business and industry, nor performed for a profit motive. Whether on or off campus, live work projects must meet the same standard of educational relevancy and are subject to the same policies, procedures, and charges. Please see section 7.8.5 for exceptions.
2. Other than miscellaneous consumable shop materials regularly in stock at the college, such as shop rags, paper towels, welding rods, nails, screws, oil, mechanical fluids, etc. the customer is responsible for and must furnish all materials required for the live work project. Only miscellaneous shop materials normally used by the college may be furnished by the college in completion of the live work project.
3. A shop charge will be assessed for all live work projects with the exception of projects using property owned by KCTCS students. Please consult with local college business office for KCTCS Schedule of Approved Charges. A shop charge is applicable for projects conducted on or off campus and at correctional educational centers. The shop charge is due at the time the project is approved. Payment for the shop charge is to be made at the office designated by the college, i.e., campus business office. (Instructors are not to handle payments.) Waiver of shop charges requires signature and notation of the waiver by the college president/CEO or designee on the Live Work Project Order Form (Form LW1). The college president's designee shall not be a program faculty member.
4. Where substantial amounts of miscellaneous consumable shop materials are expected to be used (more than \$25.00 in cost), the materials are to be logged by the instructor. An Excel spreadsheet is suggested. As applicable, spreadsheet is to accompany the project's Live Work Project Order (Form LW1). In such instances, materials are to be charged at a rate of 1.5 times the cost to the college.

5. All live work projects are to have documentation with a reference log retained by the college for audit purposes. Individuals or organizations submitting live work shall be provided a copy of the procedures for accepting and performing live work. The customer shall sign indicating that they understand and agree to the conditions and terms required for live work projects. For demonstrations, see section 7.8.8 of this procedure.
6. Live work projects are not to be released until payment in full has been made and documented. Customers are responsible for pick up of their project. The college is not responsible for delivery of the project to the customer.

### Section 7.8.3 – Work Tracking

1. The course instructor must meet with the customer to discuss the educational application of the proposed live work project. If the instructor deems the project applicable for completing a curriculum requirement a Live Work Project Order Form (Form LW1) must be completed.
2. Instructors may develop and use an estimation sheet as part of the learning experience. In such instances it is recommended that copies of the estimation sheet be routed as follows: one (1) copy retained by the instructor and one (1) copy given to the customer.
3. Live work projects are to be assigned a project number and logged using the Live Work Project Order. An original copy of the form is to be retained by the office designated by the college for tracking and collection of charges with copies forwarded to the course instructor and the customer.  
**Note:** Customer is required to sign original copy of Live Work Project Order Form (Form LW1).
4. If program curriculum needs dictate, the college may issue live work order forms in blocks, i.e., 25 forms or less. **Note:** The office designated by the college shall verify outstanding work orders on a monthly basis.

### Section 7.8.4 – Acquisition of Materials for Live Work

The purchase of parts and supplies for live work are required to be provided by the customer. No stock is to be maintained by the college for this purpose. College materials used for completion of live work projects are limited to regular customary consumable shop supplies and materials (welding rods, nails, screws,

oil, mechanical fluids, etc.). College materials in excess of \$25.00 are to be billed to the project at 1.5 times the college's cost. Customers are to be informed in advance of the cost of materials markup and of the shop charge. All miscellaneous materials and supplies must be applied to the Live Work Project Order Form (Form LW1) prior to release of the project.

### **Section 7.8.5 – Payment and Completion of Work Order Process**

1. Upon completion of the project, the instructor is to forward the completed Live Work Project Order Form to the office designated by the college for final payment collection. The instructor is to retain a copy of the form and log of any miscellaneous shop supplies for their records and audit purposes. Upon receiving the completed form from the instructor, the office designated by the college for tracking and payment will notify the customer their project is completed and that payment/release may be made.
2. An inspection of the Live Work Project Order (Form LW1) for accuracy of charges and total the amount due is to be made prior to release of the project. Charges for live work are to be made payable to the college. Upon payment, the customer's copy is to be marked PAID.
3. The customer is to present to the instructor the paid receipt as evidence of payment before gaining possession of the object or product used in the live work project.

### **Section 7.8.6 – Live Work for Employees**

To avoid conflict of interest and perception of personal gain, live work for KCTCS personnel or live work by faculty in their own shops is strongly discouraged. When live work is performed for college personnel or the managing instructor the live work must have a written approval by the college president/CEO. The college president/CEO may delegate such approvals; however, this approval shall not be delegated to program faculty. Delegations of authority must be in writing and retained for audit purposes.

### **Section 7.8.7 – Live Work for Students**

Live work for enrolled students is permissible when the live work is in accordance with the course's learning objectives and has the approval of the instructor. Students are exempt from the normal shop charge. For such instances, the

student must furnish all materials and supplies. Projects of family members or other individuals are not to be accepted in the names of students – only projects which the student is the legally recognized title owner (i.e., vehicles in the name of relations and not the student are not acceptable), unless specifically approved in writing by the college president/CEO or his/her designee who shall not be program faculty.

### **Section 7.8.8 – Vehicle In-Class Demonstrations**

Occasionally, instructors may need to use property belonging to students or others for demonstration purposes in order to teach a component of the course curriculum. In such instances, the following procedure applies.

1. Student Property Used for Demonstration Purposes - When a student's property is used for demonstration purposes the instructor is to complete Form LW2 - Demonstration/Non-Repaired – Unsafe to Operate Property Release Form checking the box for “Demonstration Purposes” and send the form to the college's designated office for tracking and collection.  
**Note:** *Form LW2 is for the duration of demonstration and/or the period of time the student is enrolled. Any deficiencies noted during the demonstration will not be repaired. If work is requested, a separate work order Form LW1 must be completed.*

The student will sign the work order form for the purpose of demonstration and liability release. The student only needs to sign the form one time as the work order for the demonstration(s) is good for every time his/her property is used for demonstration purposes so long as s/he is enrolled.

2. Non-Student Vehicles for Demonstration Purposes – When property is used belonging to other parties the property owner must complete Form LW2 - Demonstration/Non-Repaired – Unsafe to Operate Property Release Form.

### **Section 7.8.9 – Release of Training Aide**

In instances where a live work project is released in a condition the instructor determines unsafe to operate (i.e., where the property owner has refused to purchase the parts recommended by the instructor) the instructor and property owner must complete Form LW2 - Demonstration/Non-Repaired – Unsafe to Operate Property Release Form checking the box for Release of Training Aide. In such instances the signed release is to protect the college from liability concerns.

### **Section 7.8.10 – Disposal (Sale) of Live Work Projects**

In instances where a live work project results in the creation of surplus property (i.e., the carpentry class constructs a storage building), and the college does not have use for the surplus property, or the surplus property is not desired by another KCTCS unit, then the surplus property is to be disposed of using methods described in KCTCS Business Procedure 2.9.4 “Disposition of Inventory Items.” Sale of the surplus property is to take into consideration the estimated value of the items for sale and the value of the materials purchased to create the surplus property. KCTCS Office of Facilities Management, Property Management Division is to be consulted for specific direction prior to disposal.

In the instance a live work project is completed, but the owner does not retrieve the property timely (abandonment of the property) or in the instance of where a project is dropped off at the college, but the college does not accept it as a live work project, the item shall be determined to be abandoned. In such an instance the college shall contact the owner to remove the property. If the property is not removed timely the college shall send a letter of notice to the owner (if known) by certified mail return receipt requested, giving the owner 10 days to make arrangement to remove the property denoting if the property is not removed, the property is subject to being removed by the college and any potential expense shall be the responsibility of the property owner. If the property is not removed per the notice, then the college should contact a disposal company for the removal of the property. The KCTCS Office of Facilities Management, Property Management Division may be consulted for specific direction prior to removal.

Disposal of the surplus property by sale to the general public using either the sealed bid or auction (including consignment auction) method of sale is required. Disposal by either of these methods shall be preceded by notice adequate to inform the general public of the sale. **Note:** notification solely within the college of disposal of the surplus property by sealed bid or auction does not meet the standard of notice to the general public.

In general, disposal of the surplus property must be coordinated with the KCTCS Office of Facilities Management, Property Management Division prior to any action being taken. Posting on KCTCS' Office of Purchasing website, college website, etc. in advance of the disposal will help ensure the disposition is conducted in accordance with applicable laws and regulations and proper notice is given to the general public, especially if the surplus property is not suitable for transfer or trade. Posting on KCTCS Office of Purchasing website can also alleviate the necessity to publish the disposition of the surplus property in local print medium reducing the cost to the college for disposition of the surplus property.

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Transfer of surplus property created as a live work project is permitted. The price for transfer is to be determined by mutual consent and in the Commonwealth's best interest. The surplus property may be transferred to a nonprofit organization, which is 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.

**END OF PROCEDURE**