

Capital Assets

(Reference ACCS Policy 324.01)

Each institution shall capitalize all property acquired by the institution in accordance with the amount prescribed by current federal government regulations for capitalization.

Each institution shall conduct an annual physical inventory of capitalized items and reconcile to the financial statement for the corresponding fiscal year.

Procedure:

1. A physical property inventory shall be established to include all non-consumable institutional personal property except all livestock, animals, farm and agricultural products under the control of a System institution. Each institution shall capitalize all property acquired by the institution in accordance with the amount prescribed by current federal government regulations for capitalization. The inventoried amount is computed as the cost of the asset plus any and all costs associated with taking physical control of the asset. The inventory shall show the complete description, manufacturer's serial number, acquisition cost, date of purchase, location, responsible officer or employee, and the College property control number.
2. An employee must be designated as property manager. Except for books, the property manager shall make an annual physical inventory of all applicable personal property. A copy of the inventory shall be submitted to the Dean of Finance by September 30 of each year for reconciliation to the financial statement for the fiscal year. Each inventory shall include all property acquired since the date of last inventory. When a physical inventory fails to locate property items listed on the previous inventory, then a complete explanation accounting for the property or the disposition thereof shall be attached to the inventory and submitted to the Dean of Finance. All property managers shall maintain a copy of all inventories submitted to the Dean of Finance and the copies shall be subject to examination by any and all state auditors, employees of the Department of Examiners of Public Accounts, or the Chancellor or Alabama Community College System Office staff.
3. Each property manager shall be the custodian of, and responsible for, all physical property of the institution. When any property is entrusted to other employees or officers, the property manager shall require a written receipt of the property so entrusted, which receipt shall be executed by the person receiving the property. The employee or officer receiving the property will then be held responsible for that item of inventory.
4. No property shall be disposed of, transferred, assigned, or entrusted to any other department, division, or employee thereof without the written permission of the property manager on the Inventory Transfer Form. (Appendix QQ).
5. Whenever any property manager ceases for any reason to be the property manager, the Dean of Finance shall immediately notify the President in writing. College officials shall immediately check the inventories of all property for which the property manager was responsible and the successor to the property shall execute a written receipt for all property received by him or her or coming into his or her custody or control. The last payment of salary due the property manager shall be withheld until a complete reconciliation of the property inventory has been made and approved. In the event of any shortages, the property manager shall not be held accountable for property entrusted to any other employee or officer and for which he or she holds a valid written receipt of the employee or officer. These guidelines do not negate any inventory requirements under Federal Regulations.