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Purpose


The purpose of this procedure is to define property and outline the responsibilities and procedures of accounting for College property.

The District Board of Trustees (DBOT) is authorized by Florida Statute 1001.64 to adopt rules, procedures and policies regarding college property and is charged with the responsibility for control of college owned property. Florida laws and rules related to the management of real property are summarized in the State Requirements for Educational Facilities manual. Florida Department of Education Guidelines for Managing Tangible Personal Property outline specific points to consider regarding the acquisition, control and disposal of tangible personal property when drafting their College's property policies and procedures. Florida Statutes, Section 1013.28(2)(a) requires the DBOT to dispose of tangible personal property according to procedures in Chapter 274, specifically chapters 274.05 and 274.06 to maintain control of all tangible personal property acquired for the benefit of the College. This procedure will identify the process associated with the execution of this responsibility.


The College is required to capitalize amounts spent for property according to accounting standards established by the Governmental Accounting Standards Board (GASB). This procedure will identify the accounts and recognition thresholds to be used to capitalize property, recognize receivables and service concession arrangements related to the lease of College property in accordance with the Accounting Manual for the Florida College System.

Procedure

- A. The Vice President of Finance and Administration, or designee, has the responsibility of developing and maintaining a property records system for managing all property from the time that it is acquired to the time of its disposal.
 1. Tangible Personal Property - Tangible personal property is all College-owned furniture, fixtures and other property of a non-consumable nature, the original cost/value of which is \$5,000 or more and the normal expected life of which is one (1) year or more. In addition, items with a value or acquisition cost under \$5,000 may be recorded as accountable items. Accountable items are any items that the College wishes to track through the property system for any reason.
 2. All property except Tangible Personal Property – This responsibility is one of accountability for recording and reporting all property exceeding established costs per asset account in the financial statements of the College. All property is to be capitalized based upon amounts established for each asset type in the Accounting Manual for Florida's Colleges. Likewise, assets will be assigned useful lives congruent to the expected time of use so that depreciation expense reported in the financial statements reflects the true cost for the year being reported.

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- B. Property Accounting is responsible for maintaining an asset account in the Investment in Plant Fund in the College general ledger for each of the categories of assets identified below with their capitalization thresholds in parentheses. On an annual basis, Property Accounting is responsible to reconcile these accounts in the general ledger to their subsidiary property records.
1. Land (\$0)
 2. Buildings (\$250,000)
 3. Other Structures and Improvements (\$100,000)
 4. Furniture and Equipment (\$5,000)
 5. Assets under Lease (If the College were to lease a quantity of items of a similar nature that exceeded 5% of the prior year's non-depreciated total for the asset type, then the aggregate of the items should be disclosed as one or multiple composite leases in the financial statements.)
 6. Leasehold Improvements (variable)
 7. Construction in Progress (the same threshold as the asset type of the asset under construction)
 8. Data Software (\$4,000,000 if capitalizable implementation costs)
 9. Artwork (\$5,000)
- C. The responsibility for control of tangible personal property may be assigned to any full-time or regular part-time employee of the College who will be accountable for the property. The accountable employee is responsible for the proper care, operation and maintenance, initiation of disposal, and reporting of theft of the assigned property.
- D. Each item of tangible personal property will be marked with an identifying bar code number and the name of the College in a permanent manner unless the value or utility of the item of property would be permanently impaired by the attachment of the property identification number. In such cases, sufficient descriptive data should be maintained in the property file to identify the property item.
- E. Property accounting will maintain the following information on individual property items whether owned, leased or on loan to the College and this information may be maintained in a combination of the property and accounting systems:
1. Identification number (assigned by the institution)
 2. Description of item(s)

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3. Physical location
 4. Name of custodian (and delegate, if applicable) with assigned responsibility for the property item
 5. Name, make or manufacturer, if applicable
 6. Year and/or model(s), if applicable
 7. Manufacturer's serial number(s), or vehicle identification number (VIN) or title certificate number, if applicable
 8. Date acquired
 9. Cost or value at the date of acquisition for the item
 10. Method of Acquisition. If purchased, the record should include the voucher number or check number. Items purchased with grant or other restricted funding source will have their funding source identified so a list of items by any grant can be pulled at any time.
 11. Date of last inventory
 12. Date and method of disposition, as applicable
- F. At a minimum, an annual inventory of College tangible personal property including accountable items will be performed. Additional inventories may be performed when there are custodian changes. A custodian or their delegate should **not** conduct the annual inventory of the tangible personal property for which he/she is responsible. A custodian may conduct the inventory of accountable items under their control as the items are being tracked as part of College-wide inventory at their request for whatever reason.
- G. Inventory records will be created and maintained to indicate the following information for each inventoried item:
1. Date of inventory;
 2. Identification number;
 3. Actual physical location;
 4. Name and signature (or electronic equivalent) of the employee or other individual attesting to the existence of the item; and

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- H. Any discrepancies should be reconciled and/or investigated. Unaccounted for inventory should be reported to the appropriate custodians with investigations initiated by the custodian to locate missing property. If the investigation determines that the property item was stolen, the individual property record should be so noted and a report filed by the custodian with the appropriate law enforcement agency.
- I. Capitalized art collections per accounting standards are to meet the rules identified below. The College's Permanent Art Collection does not have rules that meet these criteria. Therefore, the amount that is capitalized for artwork is just the value of the artwork that the College owns that exceeds a \$5,000 threshold per item as a subset of tangible personal property.
1. The artwork is held for public exhibition, education or research in furtherance of public service rather than financial gain,
 2. the artwork is protected, kept unencumbered, cared for and preserved, and
 3. the artwork is the subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.
- J. College property should only be utilized for work associated with the operation of the College. Employees who are negligent or disregard the proper use, prescribed care or operation and maintenance of College property or improperly dispose of College property may be subject to disciplinary action.
- K. The College may lease any of its assets to others in either exchange or non-exchange written agreements. Any long-term lease receivables arising from exchange transactions wherein the College is the lessor will use the same recognition thresholds as established in section B. 5. of this APM. Materiality for service concession arrangements will be based upon 5% of the prior year's total operating revenues.

REFERENCES: F.S. 1001.64, 1001.65, 1013.28, 274 et al, Florida Department of Education Guidelines for Managing Tangible Personal Property, Accounting Manual for Florida's College System

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