

Guam Community College
Inventory Management

STANDARD OPERATING PROCEDURES

Title: FIXED ASSETS		
Original Issue: 13 September 2016	Revision Date: 06/23/2017	Page 1 of 14
Prepared By: Theda B. Rios, IMO	Approved By: _____	

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PREFACE

The Government of Guam appropriates millions of dollars every year to procure equipment, machines, and tools, construct buildings, etc. The **Inventory Management Officer** is in charge with the duties and responsibilities to perform and act as the official accounting officer for the fixed assets owned by the Guam Community College, establish good internal control, prepare reports as requested, supervise scheduled inventories, surveys and control issuance of property identification tags as well as other property management as deemed needed

The following policies and procedures, documents a FIXED ASSET system known as the **ELLUCIAN BANNER, v8.10.1, FINANCE ACCOUNTING SYSTEM** for the Guam Community College. This database along with its subsystems is designed with the intention of accomplishing several objectives in the financial accountability of all capital outlay purchases.

Adherence to procedures set within the Government of Guam and the utilization of Property Management Systems Forms identified in the Government of Guam, Department of Administration Property Management Systems and Procedures Manual prepared by the Systems & Standard Branch dated **15 March 1981**.

POLICY

It is the policy of the Government of Guam and the Guam Community College, as a whole, for the accountability over all tangible fixed assets having a life exceeding one year and costing **\$5,000** or more. The **Inventory Management Officer** shall maintain asset records on all capital outlay purchases by the various departments of the Guam Community College, including equipment and materials located at Guam Community College satellites.

Utilization of the manual will achieve our objective in:

- A. Maintaining and accounting for all Capital Outlay (7450 account purchases), also known as Fixed Assets for Guam Community College.
- B. Initiate inventory a physical inventory every three (3) years of all fixed asset equipment and/or pilfer able materials.

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- C. Execute reconciliation as requested by administrators, departmental person(s) responsible and/or other requesting department/division as required.

PURPOSE

- I. To define procedures to collect provide adequate responsibility over Guam Community Colleges resources through unique tag number controls for the accountability of the fixed assets.
- II. Assets in the system should include all capital outlay purchases, or land, buildings, machinery and equipment valued at \$5,000 or more, small tools and equipment or pilfer able items (cameras, radios, etc.) under \$5,000 will be ***maintained by each department***.
- III. It will be the responsibility of the Administrators and Department Chairs to ensure that a designated person(s) within their respective department and/or division maintain a current inventory of all of their purchases. This individual will be the person of contact or "POC" for the Inventory Management Officer for scheduled physical inventories and/or audits and or other questions pertaining to an asset.

GENERAL

The process of the Inventory Management Officer also known as the IMO, begins with the receipt of equipment expenditure in excess of **\$5000.00**. All equipment greater than this amount, with an assigned funding **Account Code of 7450 (Capital Outlay)** that will benefit the Guam Community College for more than one (1) year is identified as a **"Fixed Asset"** and tagged with an **"Inventory Management"** label that will contain the following information:

- a. Purchase Order number
- b. FOAP (Fund, Organization, Account, Program)
- c. Department Name
- d. Fixed Asset Tag Number

All other non-capital outlay assets will be identified as Guam Community College property and tagged with an asset number provided the item was purchased at \$500.00 and above.

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RECEIVING and DOCUMENTATION

All items ordered for Guam Community College will be delivered to the receiving section, namely the Materials Management Office, Finance & Administration Division. This is necessary to maintain control of all assets and documentation. The Materials Management Administrator must approve exceptions. (see Note 1)

Note 1. Due to limitation in "receiving" space within Materials Management Office located in Building 6000, Room 6104A also known as the Foundation Building. All Information Technology equipment procured by the Management Information Systems also known as MIS department. (i.e. CPUs, Laptops/Notebooks) in large quantities are being received by the MIS department of GCC located in the D-wing of the GCC campus. Procedures are in place for MIS department personnel to notify Materials Management Office (Receiving Section) of such deliveries and provide all relevant documentation including a copy of the vendor's invoice as well as a copy of the applicable Purchase Order.

Once the Materials Management Office has received an asset, a copy of the original P.O. along with copies of the vendor's invoice is forwarded to the Inventory Management Officer also known as the IMO.

The IMO will review the P.O. and all documentation attached and determines the necessary property tags.

* **Commodity codes** were predetermined during the initial implementation of the Fixed Assets Subsystem within the Banner Finance Accounting application.

Some *examples* of Commodity codes:

<u>Commodity Code</u>	<u>Description</u>
4001	Instructional Equipment (Medical Tools, Automotive Tools, etc...)
4002	Office Equipment (Work station, Storage/File Cabinet, etc...)
4007	Maintenance Equipment (Water Pressure Washer, Carpentry Tools, etc...)
4009	IT Equipment (Laptops, Desktops, Printers, Notebooks, etc...)

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TAGGING

Once the IMO has determined the commodity code of an asset, and based on unit price of the asset to be \$500.00+ and to include Title V purchases, a permanent tag (PTAG) will be assigned. The IMO controls the assignment of the asset tag numbers, which are taken from an Excel spreadsheet by fiscal year and acquisition date, spreadsheet available on the IMO desktop. Spreadsheet lists numbers in numeric order (i.e. 2016-0000 – denoting fiscal year 2016 and number of tag), location, requestor name, item description, acquisition date, funding source, serial number (s) and purchase order number. After assigning the asset tag number, the PTAG / Label are then generated from a label machine in the IMO office, to include pertinent information (i.e. PO#, Requesting Dept. Name, FOAP and asset tag #). IMO will then affix the tag / label to asset prior to delivery. Each label generated is saved to file by dept. name, tag number and brief description of item on the desktop connected to the label machine. Replacement of labels are purchased via requisition with Standard Office Supply.

In Banner, the fixed asset database will be updated converting the origination tag (OTAG) to the permanent tag (PTAG) assigned. Banner automatically generates OTAGS when the receiver and check has been processed in the accounting database. Origination Tags (OTAGS) are assigned to each quantity of each line item on a purchase order using accounting codes of 7250, 7251 and 7450. Origination tag sequence (i.e.T2016....)is assigned at the beginning of the fiscal year by the Procurement and Inventory Administrator.

The IMO maintains records by fiscal year of asset tags assigned to include copies of the purchase orders and invoices attached. Each copy of record notes, date of receipt, tagged, delivered and conversion date of OTAG to PTAG.

Departments receiving assets must include in their yearly department inventory.

Materials Managements Supply Expeditor will deliver all materials/equipment to each respective department once it has been inventoried and affixed with its appropriate GCC tag.

Only fulltime employees for the Guam Community College within each department will be allowed to sign for receipt of delivery of materials/equipment by the Supply Expeditor. No part time (work study, temporary etc.) are authorized to receive delivery. If the Supply Expeditor is unable to deliver the asset, then an email, voicemail, or other means of communication will be made in order to ensure complete delivery.

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INVENTORY MANAGEMENT FORMS – available on MyGCC website, click on the worklife tab, scroll down the right side of the screen to “Inventory Management Forms”. All forms below are available for print and are fillable.

➤ **RECEIPT of PROPERTY - FORM NO. PMS-08**

GCC personnel requiring the use of assets off campus and/or off satellite for its intended use, (i.e., notebook, laptop, digital camera) will be required to fill out a **RECEIPT of PROPERTY form for accountability controls**. *This form clearly indicates that if an asset in their possession is lost, stolen, damaged or destroyed through negligence or carelessness, they will be liable for the replacement of that asset.* Property should be returned in the condition it was in at the time of receipt.

➤ **CERTIFICATE of LOSS (GOVERNMENT PROPERTY) - FORM NO. PMS-06**

Assets identified as being lost or damaged will be reported to the IMO by the department or person in whom the asset was assigned to. A **Certificate of Loss - Government of Guam Property form PMS No. -06** along with all documents reporting this loss. This includes an official police report, witness affidavits, department memorandum, etc. The *VP of Materials Management, Business and Finance* division will review this report and all documentation proclaiming this loss.

➤ **EQUIPMENT DISPOSAL - "TURN-IN" (GSA) - FORM PMS NO.-05 & 05A**

Equipment identified by a department as being obsolete, damaged, or no longer required, are to complete a **Report of Survey form number No. PMS 05 and No. PMS 05A** (back to back/Procurement *Management Systems* form DOA A-239/240). Items listed on the “Report of Survey” form must be typed; each line represents one (1) item, to include GCC tag numbers if any, serial numbers, model numbers and a clear brief description of the item (s). Submit form to IMO for recording, a “Document Number” will be assigned to the “Report of Survey” form. This is an internal number controlled by the IMO through a log of numbers by fiscal year and date form was received. IMO will obtain the necessary signatures required on the survey form, to include the IMO and GCC Department Head (President). Items listed shall be stored in the requesting department until the IMO can secure a date and time for survey to General Services Agency (GSA) in Piti. Soon as date is secured with GSA, the IMO will notify via email / telephone to the requesting department of the date to pick up items. A copy of each “Report of Survey” form submitted will be filed for recordkeeping in the IMO office. Departments are advised to maintain a copy for record and to remove each item listed for survey from their department inventory.

*When surveying vehicles, IMO forwards a copy of the Report of Survey form with GSA stamp date receive signature of GSA staff and vehicle registration to the Department of Public Works- Transportation Division to clear from the fleet records of government vehicles.

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In the Fixed Assets Data Entry subsystem, there is an entry specifically for "**DISPOSITION INFORMATION**". Field entries are:

- a. Disposition Code: [C] Transfer to GSA
- b. Date of Disposition: *Date of when items were physically transferred to GSA*
- c. Notations: *Example: annotate the Report of Survey Number assigned for the specific assets turned into GSA.*

Entries within the specifications are then retired from the Fixed Assets "active" records and are removed once a purge has been executed to refresh its database, especially during fiscal year rollovers to ensure current activity of inventory.

- **99.9%** of the Assets "retired" are TURN-IN to GSA (Report of Survey).

- 1% are Transfer of Property to Satellites, GCC which are updated within the active database.

- **Accountability:** Documentation on File or within the Fixed Assets database.

➤ **TRANSFER OF PROPERTY - (GSA Authorization) - FORMS PMS NO. 07**

Assets found to be obsolete, non-working (not feasible for repairs) but can still be utilized by our Guam Public School System, or any other Government of Guam Agency. A Transfer of Property is prepared by the IMO with signatures of the Government of Guam Agency Department Head (Transferee) and the President of Guam Community College (Transferor). Then form is submitted to the Chief Procurement Officer of the General Services Agency located in Piti for authorization. If approved, the asset(s) listed for transfer will be documented on fixed assets database, and will automatically be purged off active records at the end of the FY.

➤ **TRANSFER OF PROPERTY (INTERNAL) - FORMS PMS NO. 07**

Assets no longer required by a department, but are found to be exploitable, availability for reuse within GCC will be announced by email from the Inventory Management Officer via GCC's Public Information Officer to broadcast within Guam Community Colleges internal portals. Department(s) desiring the item will receive the equipment on a first come, first serve basis. A **Transfer of Property (INTERNAL) form** is completed by the department no longer in need/required. Submit form to IMO for documentation. IMO will then, mark/label actual item for transfer noting document #, IMO Initials and destination of item. This process is to assist the Maintenance staff when and if a work order is in place requesting physical assistance with the transfer of such items. Departments are advised to maintain a copy of the Transfer for record and to remove each item from their department inventory. Departments receiving items from a Transfer must ADD the items to their department inventory. Database updates will reflect the transfer.

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PROPERTY RESPONSIBILITY

All personnel employed by Guam Community College, full or part time have the responsibility for accounting and protecting the college assets. This includes routine necessary maintenance of equipment that is essential for normal operations and or warranty requirements to include the vehicle fleet registration renewals and safety inspections. Personnel found willfully negligent for college equipment assigned to them may be held liable for this equipment and may be required to reimburse the college for all losses proved as willfully negligence.

For Example: Vehicles

Warranty coverage by the dealer requires certain required periodic services to be performed in order for the vehicle to operate. Normally, if these services are not completed at the proper time-frame, the warranty is invalidated, which may cause avoidable charges to GCC.

It is the department supervisor/manager's responsibility to budget for these requirements and to ensure that proper follow through maintenance is executed and yearly renewal of registration.

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- **ASSET ID:** GCC Identification Number. (9 character field) - This is a **unique number**. It is normally given to equipment costing over **\$5000.00**, however with pilfer able purchases exceeding **\$500.00** or more, this unique number will be assigned as well as Title V purchases.

Note: GCC marks many lower priced items as belong to the College but they are not considered to part of the Fixed Asset System.

DESCRIPTION: List manufacturer, make, model, serial number and brief description of the item

LOC: This is a location code. (three each character fields comprising of 8 - 7 - 8)
This code is indexed so that items may be reviewed by location:

- GCC:** Location on the GCC Campus
- SSHS:** Location at Simon Sanchez High School (satellite)
- JFK:** Location at John F. Kennedy High School (satellite)
- SHS:** Location at Southern High School (satellite)
- GWHS:** Location at George Washington High School (satellite)
- OHS:** Location at Okkodo High School (satellite)
- THS:** Location at Tiyan High School (satellite)

INSURANCE:

INSURANCE VALUE: The value for which the items is insured. This is not used.

USED REPLACE: The amount required to replace the item.

NEW REPLACE: The amount needed to replace this item with a new item.

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➤ **DISPOSITION**

DATE: Date item was disposed.

CODE: List of disposition codes used. Each represent how an item was disposed of. The field is normally blank unless the item has been disposed of.

- DE - Destroyed
- DO - Donated
- ER - Data Entry Error
- LO - Loss / Casualty
- ST - Stolen
- SU - Survey
- TR - Transfer of Property

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PHYSICAL INVENTORY

Of all GCC Fixed Assets, (all assets in general) a physical inventory will need to be conducted on a yearly basis. Inventory reminder notices will commence in April of the current year and thereafter in an email form to the campus community (i.e. Deans, Dept. Chairs, Administrators, support staff) via the IMO. A designee or "POC" of each department is responsible to conduct, complete and submit year-end inventory sheets to the Materials Management Office, ATTN: Inventory Management Officer on or before the close of business of September 30, XXXX. Inventory Sheets are available on the My GCC portal, Work Life Tab, Inventory Forms.

Inventory Management Officer must be in compliance with conducting physical inventory every 3 years. Cross reference what is true on site versus the department year-end inventory submission. Any discrepancies must be addressed in a timely manner with the department. IMO conducts inventory without notice to the department.

VEHICLE

In accordance with the GCC BOT Policy 244 "Vehicle Usage" the following will be used to ensure that GCC vehicles that are owned, leased, or rented by the College follow these guidelines and procedures with the consideration of 4GCA 1103 Government of Guam policy on government owned or leased vehicles. The "GCC Vehicle Guidelines and Procedures" updated February 15, 2017, available on "MYGCC portal, Work life Tab, under GCC Procedures & Policy; all employees / vehicle operators are responsible for the safe operation of the vehicle and adhering to the following. Violations of the above guidelines and procedures will be addressed in accordance with the disciplinary actions outlined in the Personnel Rules & Regulations and the Faculty Union Contract.

VEHICLE INSURANCE

GCC Fleet is ALL insured by the same insurance company via "BID process through the Materials Management Office". Insurance cards are sent to MMO, Attn: IMO, originals are kept on file, copies are provided to the departments to update records in the vehicles and for office use.

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VEHICLE REGISTRATION RENEWAL & SAFETY INSPECTION

Departments with vehicles are responsible to renew vehicle registration and safety inspections yearly. The IMO will provide vehicle registration reminders via email to the department of the dates when the vehicle registration is up for renewal. Vehicles not renewed in time, will need to be parked and not utilized until the registration has been renewed to include the vehicle safety inspection. Original copies of the vehicle registration and safety inspection are submitted to the IMO for recordkeeping. Copies of the vehicle registration, safety inspection and insurance remain in the vehicle glove compartment at all times for reference and copies for office file. The department supervisor is responsible to include in their annual budget the costs of this requirement.

VEHICLE MAINTENANCE

Departments are responsible for the maintenance and appearance of their vehicles both interior and exterior. It is the department responsibility to budget annually funds to cover the cost of maintenance and to obtain price quotes to procure the supplies needed (i.e. oil filter, oil, spark plugs, battery, etc.). Departments communicate with the automotive department for a vehicle evaluation, procure via MMO thru a requisition any supplies needed to conduct the service.

VEHICLE TRIP TICKET

When operating the vehicle, operator must utilize the "vehicle trip ticket" at all times (Available on MY GCC portal, Work Life Tab, GCC Procedure & Policy) and, operator must have a valid driver's license. Trip ticket serves as a mileage tracker, current condition of vehicle prior to use, and for safety. Departments are responsible to provide copies of trip tickets in their vehicles and maintain office file.

VEHICLE PARKING

GCC Administrative Directive No. 2017-01, issued on February 6, 2017 state all GCC fleet are to be parked and secured in the designated parking area of the MPA grass lot by end of day or when not in use in this location. After normal business hours (5pm), vehicle must be returned and secured in this area; keys are to be turned into SSS (Bldg, B) drop box. Last operator communicates with department of vehicle location of keys. In the event of an emergency, ALL fleet are to be parked at the Admin. Bldg. parking lot facing the MPA.

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VEHICLE ACCIDENTS

In the event of an accident, operator of the official vehicle must do the following:

1. Report accident to GPD, obtain a police report # assigned to the accident (report card issued by GPD Officer responding to the accident), operator of vehicle at time of accident is responsible to pick up motor vehicle accident report when available and submit police report to MMO, Attn: IMO. The police report fee shall be incurred by the department of whom the operator is assigned to.
2. Inform MMO and Safety Office
3. File Incident Report at SSS, provide copy to the MMO, Attn: IMO
4. If the accident has been determined the fault of the other operator involved, with the guidance from the IMO, the GCC operator of the vehicle at the time of the accident will be responsible to provide the following:
 - a) Obtain 2-3 "repair estimates" from on island Auto Body Shops
 - b) Obtain 2-3 "towing estimates" from GCC to Auto Shop for repair
5. If the GCC operator is at fault, the Procurement Administrator and IMO will communicate with the College Insurance Company to process the claim.
6. IMO communicates with the insurance carrier of the vehicle at fault to process the claim. And, any additional assistance the IMO will work with the GCC operator

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VEHICLE FLEET FUEL CARDHOLDERS

To acquire a fuel card, department supervisors can request for a fuel card via email to the Inventory Management Officer (IMO), listing the employee name, employee banner #, employee position title and reason for request. Upon receipt of request, the Inventory Management Officer will prepare a memo from the President of Guam Community College addressed to the Chief Procurement Officer of General Services Agency (GSA) requesting for the fuel card. When memo has been approved with the President's signature, the IMO forwards the request electronically via email to GSA, or hand deliver the original to GSA, maintain a copy for file.

GSA will schedule an orientation for the employee to attend, communicate with the IMO of the date and time. IMO will then inform the employee to make arrangements to attend. The orientation is a briefing on the rules and use of the government fuel card. Employee will receive an acknowledgement receipt of the fuel card that was issued to employee, please forward the acknowledgement copy to the IMO for record.

The Government of Guam via General Services Agency (GSA) have a bid contract with a local fuel company. All government fleet (vehicles) are only allowed to fuel with the fuel company awarded from the bid.