

INVENTORY CONTROL PROCEDURES – ACCOUNTING OF COLLEGE PROPERTY

PURPOSE

These procedures are issued to provide guidelines and procedures regarding stewardship required for property assets at the College of Charleston, to assure that College equipment is used only for educational, research, or public service purposes of the College and in accordance with the requirements of the [Code of Laws of South Carolina, Section 10-1-140](#) and other applicable laws and regulations governing state property and to provide Inventory Control documentation which authorizes the removal of property from the owning department's inventory.

POLICY ON USE AND MOVEMENT OF COLLEGE PROPERTY

Section 10-1-140 of [The Code of Laws of South Carolina](#) makes the President of the College accountable for the supervision, control, and inventory of all state-owned property in the custody of the College of Charleston and requires such property, except for expendables, be inventoried annually. Accountability for security to prevent misuse or loss of College plant property as well as the responsibility for the location, custody, and maintenance of such property, and communicating changes to Inventory Control has been delegated to the Deans, Department Heads and Directors of the area for whom it was procured or to whom it has been assigned regardless of funding source.

Responsibility for performing annual inventory of plant property and maintaining inventory records is delegated to the Director of Procurement, Supply Manager, and the Inventory Control Officers. The detailed inventory records for the College are maintained within the Procurement and Supply Department. As new items are acquired, they will be tagged either at Central Receiving or by the receiving department dependent upon circumstances.

Plant property, for the purpose of inventory control, is defined as furniture, furnishings and equipment which have a value of \$1500 or greater and a useful life of one year or more. All items meeting these criteria will be tagged and inventoried. Specific exceptions to the tagging policies may be made if Inventory Control determines that tagging an item is not practical.

Expendable property, which is any item which is consumed or becomes unidentifiable with use, is categorized as supplies. Property which is not expendable, but does not meet the criteria to be inventoried delineated in the preceding paragraph, is also categorized as supplies. Additionally, an item which becomes part of a building or facility, regardless of acquisition value, will not be classified as plant property.

All employees have the responsibility for the prudent use, care and safeguarding of College property. The fact that a piece of property is valued at less than \$1500 and is not recorded on the property records does not alter this responsibility.

CUSTODIANSHIP DUTIES AND RESPONSIBILITIES

Department Heads are delegated the responsibility of maintaining proper accountability and control of the property within their jurisdiction. Fulfillment of these responsibilities on behalf of the Department Head may be delegated but the ultimate responsibility remains with the Department Head. Specific responsibilities regarding College property are as follows:

1. Know the location of all equipment in their inventory and assure that such equipment is reasonably secure from possible theft and other hazards. Report any changes in location to Inventory Control. This is critical for proper stewardship and essential for insurance management purposes.
2. Assure that assigned equipment is being used in the best interest of the College.
3. Provide assistance as needed to Inventory Control personnel who are taking inventory or placing identification tags on equipment.
4. Review, verify and respond to an annual inventory report of the status of departmental inventory provided by Inventory Control and complete all required actions prompted by the findings of the annual inventory within fifteen (15) working days of receipt. Those actions include, but are not limited to, identifying any equipment not currently on inventory list, preparing a written request to Public Safety to investigate missing property, and preparing written documentation attesting to the disposition of any property due to loss, transfer, cannibalization, etc. In the event a response from the Department Head is not received regarding property that cannot be located within the allowed time, Inventory Control will report that property as missing with Public Safety for formal investigation.
5. Discourage theft and loss of College property by fixing responsibility.
6. Department Heads must assure that their faculty, staff and students are informed that property acquired for a specific individual's use remains College-owned property after the individual's position is terminated.

When accountability is changed, Inventory Control should be notified in writing, using the Change in Accountability Form, within ten (10) days of the appointment. Notification should include the name and telephone number of the appointee.

INVENTORY CONTROL DUTIES AND RESPONSIBILITIES

1. Inventory Control receives a weekly Accounts Payable Asset Extraction report that lists all goods and equipment purchased for \$1500 or more. Inventory Control personnel review each purchase order to verify and approve items requiring tags, and assign a tag number. During this review Inventory Control personnel also determines which item(s) valued at \$5000 or more should be capitalized. If plant property valued at \$1500 or more is acquired through means other than purchase and delivered directly to a department, it is the Department Head's responsibility to notify Inventory Control of the acquisition.
2. Inventory Control personnel or designated department representative will physically affix property tags within ten (10) working days of determination of requirement or notification.
3. Inventory Control personnel will perform an annual physical inventory in each department and will submit a weekly status report to the Director of Procurement. Inventory Control personnel must physically verify the location and tag number on all plant property listed on the plant property inventory list.
4. After completion of the physical inventory, Inventory Control personnel will report the findings to the Department Head for review and action if required. The Department Head has fifteen (15) working days to respond if necessary. Inventory Control will report all missing property to Public Safety for investigation if not previously reported by the department.
5. Upon receipt of Change in Accountability Form, Inventory Control personnel will forward a copy to Auxiliary Services for insurance updating.

PROCEDURES FOR REPORTING MOVEMENT OF COLLEGE EQUIPMENT

College property should only be used for official purposes. Generally, no one is permitted to remove from the College premises any property belonging to the College, even though it has been purchased with grant funds or may seem to be of no value, unless it is removed under established guidelines as noted below.

1. **Temporary Removal of Property from College Premises:** College property may be temporarily removed from the College premises without written permission from the appropriate Department Head, Dean or Director when it is integral to a person's role for which they have been hired or aids them in accomplishing their primary mission (e.g. teaching in the field, performing research off campus, attending meetings off-site). When there is a unique or special task or circumstance, outside of a person's regular duties, and it is determined that the temporary removal of property will advance College programs or activities, written permission may be granted by the appropriate Department Head, Dean or Director.

Permission should include a description of the equipment, condition, any serial number, and the College Property tag number and should be recorded using a Change in Accountability Form, the original to be forwarded to Inventory Control with a copy kept on file by the department. The person or official representative of the entity to which the property is temporarily assigned must utilize the property for College-related business or activities, and agree to assume responsibility for the property during the time it is removed.

Furthermore, the person or entity to which property is assigned, specifically for a task, or peripherally in their role, may be liable for any losses, damage or destruction, or impairment of function or useful life of the equipment that may result due to negligence or carelessness.

2. **Missing Property:** If property is discovered missing, an immediate request should be made of Public Safety to have the loss investigated. A Change in Accountability Form shall be sent to the Inventory Control Officer by the Administrative department experiencing the loss, as well as a copy of the Public Safety Officer's report. Departments should check with Auxiliary Services/Insurance to see if there is coverage for their loss. The Inventory Control Officer will file a request to remove the property from the Inventory Control List with copies of the "Change in Accountability Form" and the report from Public Safety.
3. **To Transfer Property:** The releasing Department Head, with the approval of the Provost or administrative officer, will complete a Change in Accountability Form, including obtaining the necessary approvals from the receiving Department Head and Provost or administrative officer. Each department will keep a copy and the releasing unit will send the original to the Inventory Officer. If necessary, departments should request assistance from Physical Plant, in moving the equipment.
4. **To Relocate Property:** The Department Head responsible for the equipment should complete a Change in Accountability Form indicating the new location of the property and send the original to the Property Office and retain a copy for the department file.

5. **To Cannibalize Property:** Before a department may cannibalize, or dismantle, property for parts, approval of the Department Head is required using a Change in Accountability Form with a description of where the parts will be used. The Change in Accountability Form should be forwarded to Inventory Control and a copy maintained by the Department.
6. **To Salvage or Surplus Property:** Salvage property items are those that are irreparable or whose present value is less than their cost of repair. Surplus property is useable or repairable at a cost less than the present value of the item, but is no longer needed by the department. After properly indicating whether the property is surplus or salvage, the Department Head responsible for the property should fill out a Change in Accountability Form and send it to Inventory Control. The form should indicate when the property can be picked up.
7. **To Trade or Request Other Changes:** The "Other" classification on the Change in Accountability Form may be used to report property traded (reference should be made to the purchase order number on which the trade is indicated) and other unspecified changes in accountability. An example of "other changes" would be returning tagged property to a vendor for replacement. The type of transaction should be indicated and the original should be sent to the Inventory Control Officer. A copy should be kept in the files of the accountable department.

PROCEDURES FOR INVENTORY VERIFICATION

During the year, the Inventory Control Officers must be notified by the department when changes which affect the accuracy of the inventory records occur. These changes must be documented by forwarding a Change of Accountability Form to the Inventory Control Officer as specified above. College property will be inventoried annually in the following manner:

1. An updated copy of the departmental inventory listing will be furnished to each department annually by Inventory Control prior to performing a physical inventory.
2. The Department Head will verify and sign the certification statement indicating all the items have been physically located or proper paperwork has been initiated to correct any discrepancies.
3. The original inventory list, marked up with any changes necessary to building/room location or custodian, must be returned to Procurement, to the attention of the Inventory Control Officer, within fifteen (15) days.
4. A copy of the original, signed listing should be retained by the department until the physical inventory is completed by Inventory Control.
5. Upon completion of the physical inventory, any items determined to be missing will be reported to the Department Head by Inventory Control.
6. The Department Head will have fifteen (15) days to locate the property and arrange for Inventory Control to make a visual confirmation. If the property is not located, and the Department Head has not already filed a missing property report with Public Safety, Inventory Control will report the property missing to Public Safety and will forward a copy of the report to the Department Head responsible for the property.
7. Relief of accountability for property lost, missing, or stolen will be approved only after investigation by the Department of Public Safety and with the concurrence of the Provost or Senior Vice President for Business Affairs and the President. Approved Lost, Missing, or Stolen Property Reports will be forwarded to Inventory Control with a copy of Public Safety's report to Inventory Control who will prepare a Change of Accountability Form and send a copy to the Department involved.

All College property is insured for losses resulting from a catastrophic occurrence such as fire, wind, or water. Any occurrence and loss should be reported to the Director of Auxiliary Services for disposition. Catastrophic loss of inventoried material should also be reported to Inventory Control using the Change in Accountability Form.

PROPERTY ACQUIRED BY THE COLLEGE WITH GRANT OR CONTRACT FUNDS

The preceding policies and procedures for property accountability will also apply to property acquired with grant and contract funds from governmental agencies and all other external sources. This includes property acquired through grants and contracts received directly by the College as well as those initially awarded to another entity and subsequently transferred to the College.

Ownership rights to property acquired by the College with grant or contract funds vary by sponsor. In some cases, ownership vests with the College at the time of procurement of the property. In other cases, ownership is retained by the sponsor during the grant/contract period and then vests with the College upon termination of the grant/contract. Less frequently, a sponsor may retain ownership rights indefinitely but may allow the College to continue to maintain and use the property after the grant/contract has ended, sometimes with the restriction that such property be used for the same purpose for which it was acquired. Occasionally, some sponsors may require return of property to the sponsor at termination of the grant/contract.

Unless terms and conditions of the grant award or contract specifically give ownership rights to the individual investigator, the College is required to tag, inventory, and manage property purchased with grant and contract funds in the same manner as property purchased with College funds. The investigator may not permanently remove such property from the campus without approval of the Office of Research & Grants Administration (ORGA), the Procurement Office and, if applicable, the sponsor who holds title to the property. Departments not in compliance with these policies and procedures are subject to personal liability.

If a principal investigator with a current grant or contract leaves the College and transfers the grant or contract to his/her new institution or agency, he/she should contact the ORGA to determine sponsor requirements for property disposition. In many cases, sponsors require transfer of property to the new institution as part of the grant or contract transfer, with the new institution assuming responsibility for shipping charges. If the sponsor normally requires transfer of the property to the investigator's new institution but the property is difficult or costly to move, the new institution does not need the property, and the College has a continuing use for the property, ORGA will negotiate an agreement with the sponsor and the new institution to retain the property and reimburse the sponsor or the new institution for the property at fair market value. If the sponsor does not require transfer of the property to the investigators' new institution, the investigator's Department Head will determine if the department or any other College unit has continuing need for the property. If there is a continuing need, the College will retain the property. If there is no continuing need, the property will be disposed of as surplus in accordance with the South Carolina Procurement Code. Regardless of resolution, it is incumbent upon the responsible Department Head to make the appropriate notifications to the Inventory Control Officer, the Grants Accounting Office, and the Office of Research & Grants Administration.

Property purchased on an expired grant or contract for which ownership has vested with the College in accordance with the terms and conditions of the award may not be transferred to another institution or agency if the investigator leaves the College. Such property, if no longer needed by the department or any other College unit, shall be disposed of as surplus in accordance with the South Carolina Procurement Code.

When property is transferred as part of a grant or contract transfer to the College from another institution or agency, it is the responsibility of the Department Head to which the property is assigned to ensure the Inventory Control Officer, Grants Accounting Office, and Office of Research & Grants Administration receive a detailed list of the property, including item description (model and serial numbers), value, building and room number, College grant account number, and a copy of the documents which transferred the property to the College. The Inventory Control Officer will then tag the property and add it to the inventory records.

EMPLOYEE RESTITUTION FOR MISSING PROPERTY

Definition of Employee Responsibility: College employees using College property, whether specifically assigned to them or not, are responsible for that equipment. Employees should be diligent in caring for equipment in their possession and provide reasonable safeguards to secure it. If College property is lost, stolen, misplaced or damaged due to an employee's neglect or carelessness, they may be required to reimburse the College.

Determining Liability and Reimbursement: In general, the procedures for determining responsibility for liability and reimbursement for missing property are:

- Public Safety, after investigating the circumstances surrounding the loss of, or damage to, equipment will determine whether the employee used reasonable care in the security of the equipment or if the employee was negligent. The Senior Vice President for Business Affairs will determine if the employee should be assessed for the damages or loss. Employees have the right to appeal the determination of the Senior Vice President for Business Affairs through the appropriate grievance procedure.
- The fair market value of the equipment will be established by a committee composed of the employee, or a representative for the employee, and representatives from the department, the Office of Human Resources, and the Procurement Office.
- Reimbursement will be required within a reasonable length of time to be determined by the same committee.

Security Measures: Promptly report all missing or stolen equipment to Public Safety and Inventory Control. Some suggestions for security include:

- Avoid leaving offices, classrooms or laboratories unlocked when unattended.
- Lock small and valuable equipment in cabinets and drawers when not in use.
- Record manufacturer's serial numbers on department records for sensitive or theft-prone items under the threshold to meet requirements for tagging.
- Secure by bolting, or other means, personal computers and other portable equipment to discourage thefts.
- On a regular basis, convey to all faculty and staff in your area, the importance of being vigilant in the care of College property.