

**PENSACOLA STATE COLLEGE**  
**MANUAL OF PROCEDURES**

Procedure Title:	Record and Inventory of Property	<u>Number</u> 117
Related Policy:	Property and Equipment - 6Hx20-I.019	<u>Page</u> Page 1 of 4

**I. 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 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 the College's property policies and procedures. Florida Statutes, Section 1013.28(2)(a) requires the District Board of Trustees 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.

**II. Procedure**

- A. The Vice President of Business Affairs, 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.
  - I. 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 - 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.

- 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 for single purchases in parentheses. If the College were to purchase or 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 capitalized. Property accounting is responsible to reconcile annually these accounts in the general ledger to their subsidiary property records.
1. Land (\$0)
  2. Buildings (\$65,000)
  3. Other Structures and Improvements (\$65,000)
  4. Furniture and Equipment (\$5,000)
  5. Assets under Capital Lease (the same threshold as the asset type of the leased asset.)
  6. Leasehold Improvements (\$65,000)
  7. Construction in Progress (the same threshold as the asset type of the asset under construction)
  8. Data Software (\$65,000 if purchase of perpetual license; \$2,000,000 if other intangible asset)
  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 of the assigned property
- D. Each item of tangible personal property will be marked with an identifying 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. Grant-purchased properties are also identified with an additional separate decal to indicate that they were purchased with grant funds.
- E. Property accounting will maintain the following information on individual property items 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)
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. In the case of a property group, the number and description of the component items comprising the group
10. Cost or value at the date of acquisition for the item
11. Method of Acquisition. If purchased, the record should include the voucher number or check number with the funding source identified therein.
12. Date of last inventory and condition of the item on that date
13. Date and method of disposition, as applicable

F. An annual inventory of College tangible personal property, including accountable items, will be performed at a minimum. Additional inventories may be performed when there are custodian changes or when grants require more frequent inventories. 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. Items purchased with grant funds are purchased per the rules of the grant and are to be inventoried in accordance with grant terms. Grant purchased property can only be disposed of once the terms of the grant, including any disposition criteria, have been followed. Items purchased with federal grant funds must follow the procedures below in accordance with 2 CFR 200.310-316 and 24 CFR 570.489(k) as follows:

1. Insurance coverage for federally acquired real property and equipment must be at the same level required by the College.
2. Real property and equipment acquired with federal funds must be used for the originally authorized purpose as long as needed for that purpose. The College will not place any encumbrance on the property and equipment without the federal awarding agency's prior approval. When no longer needed, the College must request disposition instructions from the federal awarding agency, which may include retaining title by compensating the federal agency, selling the property and sharing the proceeds (if fair market value exceeds \$5,000 at the time of disposition), or transferring title.
3. Supplies and materials acquired with federal funds must be used for the performance of the federal award or other federally sponsored activities. If a residual inventory of unused supplies with a total aggregate fair market value exceeding \$5,000 remains upon completion of the project, and the supplies are no longer needed for any other federal award, the College must compensate the federal awarding agency for its share.

- H. Any discrepancies between the annual inventory and the inventory records should be reconciled and/or investigated as appropriate. Unaccounted for inventory should be reported to custodians with investigations performed to locate missing property. If the investigation determines that the property item was stolen, the individual property record should be so noted in a report filed with the appropriate law enforcement agency.
- I. The Property Control Office will provide a summary of property activity to the Board for each fiscal year to include the following information:
1. Number of assets added and removed from both non-capitalized and capitalized property in addition to their summary values.
  2. List of missing property by the department for the prior fiscal year.
- 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 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 for recognizing lease liabilities per the asset types defined in B above. Materiality for public-private and public-public partnerships, service concession arrangements, or available payment arrangements will be based on 5% of the prior year's total operating revenues.
- L. 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 definitions. 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.

Responsible Official	Vice President, Business Affairs
President's Signature:	 Date: 12/2/2025