



Title of Proposed Procedure: Capitalization and Inventory Control Procedures

Procedures (check one): New Revised

Applies to (check all that apply):

Faculty Staff Students

Division/Department College

Topic/Issue:

Procedures in support of the policy of BCCC to prescribe standards for controlling inventories of materials, supplies, and plant and related fixed assets and to establish the means for BCCC to determine the value of these inventories. These standards and procedures are established to reduce to a reasonable level, the risk of loss or misappropriation of resources or assets.

Background to Issue/Rationale for Policy or Procedure:

(For procedures, cite appropriate approved College Policy addressed)

BCCC capitalizes all furniture, fixtures and equipment purchased or donated to the College with a value of \$100 or more and \$50 or more for sensitive items. The College requires a listing of all capital equipment be maintained which includes at a minimum a description of the asset, its cost, and physical location. All capital equipment must be tagged or otherwise identified. The College requires a periodic inventory of capital equipment and materials and supplies be conducted at a frequency of at least once every year.

State/Federal Regulatory Requirements (cite if applicable):

- The State of Maryland Department of General Services Inventory Control Manual
- Section 4-306 of the State Finance & Procurement Article, Annotated Code of Maryland.
- Section 4-501 through 508 of the State Finance & Procurement Article giving authority for disposing of excess or surplus personal property to the Secretary of the Department of General Services.

- Executive Order No. 01.01.1987.19 of July 1, 1987, the Maryland State Agency for Surplus Property (MSASP) was transferred from the College of Maryland to the Department of General Services. Disposition of State surplus property as well as distribution of Federal surplus property is a function of MSASP as a result of the Executive Order.
- General Accounting Standards Board Statement (GASB) No. 34 - Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments
- General Accounting Standards Board Statement No. 35 - Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities—an amendment of GASB Statement No. 34
- Office of Management and Budget Circular A-110, Subpart C, Sections 30-37, "Property Standards", Circular A-21, Section J.18. "Equipment and other capital expenditures", and Section J.26. "Interest"

Proposed Procedure Language:

Baltimore City Community College is an agency of the State of Maryland and is required by law to regulate, control and maintain inventory records of all moveable property, fixed assets, and equipment in its possession. BCCC has delegated the responsibility and authority for carrying out these duties to the Property Administration Department.

Each department has a responsibility to safeguard all assets in the department's custody and ensure the integrity of the inventory records, to adhere to all policies and procedures and to support Property Administration in performing physical inventories.

A. Capital Equipment

Capital equipment at Baltimore City Community College is tangible personal property having a useful life of one year or more and an acquisition cost of \$100 or more per unit (sensitive equipment \$50 per unit). All equipment meeting this definition should be recorded on the College's equipment inventory and should be tagged with a control number for tracking purposes.

Capital Asset Classifications

- **Building** – Structures for housing humans, materials, supplies, equipment and mechanical apparatus.
- **Building Improvements** – Changes to a structure that upgrade the value of the building such as additions, enlargements, and architectural redesigns and improvements and the like. Roof replacements, exterior painting, architectural replacements or repairs and the like are considered as normal maintenance items to retain the value of the building.

- **Furniture, Fixtures and Equipment** – Any equipment item or furnishing having a probable useful life in excess of one year and a procurement cost of \$100 or more per unit, such as furniture, machinery, instruments and other apparatus. It also includes sensitive items having a procurement cost of \$50 or more and a useful life of one year or more. Firearms and other law enforcement weapons regardless of cost are considered capital equipment. All capital equipment must be recorded, inventoried, and reported as fixed asset to the Department of General Services.

Note: If a group of like assets are acquired together and will be utilized in one capacity, then even though the individual acquisition costs are less than the threshold for capitalization, then the assets should be capitalized if the aggregate acquisition cost exceeds \$100.

- **Land** – Any land which is titled to or designated in any manner confirming ownership by the College.
- **Land Improvements** – Any improvement such as electrical, plumbing and heating systems, signs, storage tanks above or below ground levels, filtration systems, drainage components, sidewalks, fences and ground beautification, including all landscaping.
- **Infrastructure** – Long-lived capital assets such as: roads, curbs, sidewalks, parking lots, water, sewer and utility distribution systems that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets.
- **Construction in-process** – All cost associated with building, building improvement, or land improvement construction projects that are not completed at the end of the fiscal year.
- **Leasehold improvements** – An improvement of a leased asset that increases the asset's value which is amortized over the lesser of the leasehold improvements useful life or the lease term.
- **Leased Real Property** – Leased real property is capitalized if the total cost of the property exceeds \$250,000 and it meets the criteria outlined in the FASB Standard No. 13, subject to the provisions of other authoritative accounting guidance, which essentially provides that: a lease is a capital lease if at inception it transfers ownership of the property to the lessee by the end of the lease term; it contains a bargain purchase option; the lease term is 75 percent or more of the estimated economic life of the leased property; or at the beginning of the lease term, the present value of the minimum lease payments (excluding executor costs), equals or exceeds 90 percent of the excess of the fair value of the leased property.
- **Library Books** – Purchases of books, bound periodicals, microfilm, or other library items are capitalized if any are part of a formal College catalogued library. Library items acquired by gift are valued at fair market value.

Sensitive Equipment

Sensitive equipment is defined as those items valued at \$50 or more which are most at risk of theft and concealable in a handbag or briefcase. Equipment items that are too large for concealment such as typewriters, projectors, chain saws and the like, **shall be considered sensitive items if there is a history of loss or theft.** The major criterions for sensitive equipment are assets susceptible to removal, personal use, or resale. Sensitive equipment in the Libraries could include principally two categories of equipment, office equipment, e.g., calculators, and audio-visual equipment, e.g., radios, portable television sets, projectors and screens, and video cassette recorders.

Summary of Sensitive Equipment

Computers	Computer components (add-on components, purchased separate from computer)	Printers
Fax machines	Handguns and other law enforcement tools	Copiers (Non-leased)
Televisions	VCRs /DVRs	Projectors
Laptops	Scanners	Lab Equipment
Cameras	Instruments (medical)	Hand Tools
Two-way Radios	Cell phones / Air cards	Typewriters

Personal Computers

All personal computer (PC) system packages are to be recorded on the equipment inventory. PC system packages consist of a central processing unit (CPU), system software, and all accessories necessary to make the property operable. The value of computer monitors purchased should be capitalized separately.

Accessory Equipment

The cost of an accessory purchased separately – after the equipment has been received and made operable – should not be added to the value of an item of capital equipment listed on the inventory. When an accessory meets all the criteria of capital equipment (i.e., it is tangible personal property having a useful life of one or more years and an acquisition cost of \$100 or more), it should be treated as a separate item of capital equipment and assigned a BCCC control number and recorded on the College's equipment inventory.

Donated Equipment

Equipment donated to the College by a third party is covered by this policy. For capitalization and inventory purposes, the recorded value of the donated equipment should be the fair market value of the equipment at the date of the gift. Generally, the fair market value of such an item of property is the price at which the item or a comparable item would be sold at retail, taking into consideration the age and condition of the property on the date of the gift.

Capitalized Manufactured Equipment

Capitalized manufactured equipment is equipment that is assembled or manufactured by the College using purchased materials, in-house machinery or tools and College labor. Manufactured equipment valued at \$100 or more and having a useful life of one year or more shall be capitalized and recorded on the College's equipment inventory. Departments manufacturing equipment are responsible for determining the cost of the equipment. Additionally, it is the responsibility of the department to notify the Property Department of the equipment's existence.

Repairs, Replacements, and Upgrades

Equipment repair, replacement, and upgrade costs will be capitalized only when these costs are \$100 or more and they extend the useful life of the original piece of equipment by one year or more. When these costs are capitalized, the asset value and useful life of the original piece of equipment as recorded on the College's equipment inventory should be updated to reflect the new value and remaining useful life of the asset.

B. Equipment Identification

Capital equipment items shall be marked with a property identification number and the words "Property of the State of Maryland" and Baltimore City Community College. The marking shall be conspicuously located on the top or side of items so as to be readily seen, and shall be applied in a neat and tasteful manner.

Permanent type labels that cannot be removed without damage to the item will be used on all capital equipment items. If permanent type labels are not practical, the surface of the items shall be etched or indelibly marked.

Certain property by its very nature or the circumstances of its use cannot be tagged. In these cases the property will be assigned an inventory number.

Certain other property such as a musical instruments or an anatomical model, which cannot be tagged will likewise be assigned an inventory number.

C. Valuation

The valuation of equipment, whether purchased or fabricated, is based on unit cost. Only assets with a unit cost of \$100 or more and having a useful life of more than one year are capitalized.

The total unit cost is determined by the sum of:

1. the cash disbursed (purchase price less applicable discounts plus applicable transportation and installation charges) for each unit;
2. the net book value of any assets given in exchange; and
3. The present value of any liability incurred. If the equipment is acquired by gift, the valuation is the fair market value at the date of gift, if determinable. Otherwise, an appraised value is used. If acquired by loan (usually from a grant or contract sponsor), the value assigned to the equipment by the sponsor will be used.

D. Ownership

Generally, the College owns all equipment purchased with College funds (includes restricted, unrestricted, gift, grant, contract, etc.) Title to equipment purchased with federal funds (from federal contracts and grants) vests in the College upon acquisition unless exceptions are noted in the specific contract or grant agreement. Although title to equipment purchased with federal funds generally vests in BCCC, the government reserves the right to transfer title for capital equipment within 120 days of the termination of the contract or grant. In addition, capital equipment is usually subject to certain conditions on use and disposition. These rules can vary by federal agency.

E. Off-Campus Use

The off-campus use of equipment is exclusively for business-related purposes contributing to the College's mission. Use of College owned equipment off-campus must be approved by the President Staff member for the division and/or department. It is the responsibility of the department to maintain a current record of College property located off-campus in the form of description, inventory identification number, period of time and location of property off-campus, and the person(s) in charge of the property. Notification must be sent to Property Administration.

When equipment is being used at an off-campus site rented or leased by BCCC, a building or location number should be assigned to the site and to the asset

record on the central inventory system. A subsidiary record system maintained by the department should only be necessary when BCCC property is in the personal possession of employees or other affiliated persons.

Employees must be able to produce loaned equipment upon request. Employees are financially responsible for the loss or theft of any loaned equipment in their possession. President Staff member signature is required before assets can be removed from the campus.

F. Lost/Stolen Property

Upon discovery that capital equipment has been lost or stolen, College personnel are required to immediately report the facts to Public Safety and Property Administration. Immediate notification should be followed up by submission of a Property report to Property Administration. Include tag number of capital item, description, model, serial number, location, copy of the police report, and indicate whether it was lost or stolen.

G. Movement of Property

Prior to moving any College owned assets, departments shall fill out and sign a Property Administration Form, which must be returned to Property Administration **before** taking any action. No equipment should be moved without first notifying Property Administration. Individuals who move assets without proper authorization are invalidating property records and thereby violating College Policy & Procedures. Property Administration will report their findings (inaccuracies) to the respective Vice President or Director for appropriate resolution.

H. Inventory

The College is vested with the responsibility for the control, care, maintenance and security of all State property held by the College regardless of value. The College ensures that all materials, supplies and equipment are received at a central location and verified by the bill of lading/delivery or by the purchase orders. All furniture, fixtures and equipment purchased by the College with a value of \$100 or more and \$50 or more (for sensitive items) are tagged. The value of all property of the College is entered in the College's Asset Management System.

Physical Inventory - The College's physical inventory of capital equipment is coordinated by Property Administration. Instructions for completing the inventory are provided in detail as part of each physical inventory cycle. All changes to asset status or location should be reported to these offices on an on-going basis so that central equipment inventory records are perpetually updated. The periodic physical inventory is designed to ensure that the perpetual records are

accurate. It should not be used to communicate all changes since the last periodic physical inventory.

A physical inventory of capital assets must be taken and the results reconciled with the College's financial records at a minimum of once a year. At the close of the inventory process, adjusting journal entries will be done where applicable for assets which have been taken out of service, or otherwise disposed. Physical inventories do not apply to land, buildings and improvements thereto.

Perpetual Updates - All changes to information pertaining to assets already recorded on the central inventory must be communicated in writing, on an on-going basis, to Property Administration using the Property Transmittal Form.

Requirements - Federal regulations state "A physical inventory of [capitalized] equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The [College] shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment." (Office of Management and Budget Circular A-110, Subpart C, Section .34 (f) (3))

Reconciliation of Inventory Records

When the physical inventory is taken, inventory records shall be checked against the items inventoried to assure that records exist for each item, and that records for missing items are investigated, reported and removed in accordance with approval and authority of Department of General Services.

- a. An inventory control account is a summarized history of acquisitions and disposals, and shall be maintained for each category of capital equipment independent of the detail records.
- b. Win Asset is the College's approved automated inventory system.
- c. The ending balance of a control account should be equal to the net value of the beginning balance plus acquisitions less disposals for the period being reported.
- d. Inventory records for capital equipment shall be reconciled with the covering control account at least monthly.
- e. The total dollar value of inventory records covered by a control account should equal the account balance. If there is a difference, the transactions recorded during the reconciliation period shall be analyzed and the

necessary adjustments made to the inventory records or to the control account as appropriate.

- f. Adjustments to a control account balance or to the inventory records shall be approved by Vice President for Business and Finance or designee.
- g. The final control account reconciliation shall be certified in writing by Vice President of Business and Finance (or designee).
- h. The reconciliation data and the certification shall be kept on file in the organization for reference and audit purposes and as prescribed by the College's record retention schedule.

Reconciliation of Property Records

Control accounts shall be maintained for buildings, land, and improvements thereto. A control account is a summarized history of real property acquisitions, improvements and disposals and is maintained independent of the detail property records. The ending balance of an account should equal the beginning balance plus acquisitions (improvements) less disposals for the period being reported. Detail inventory records for land and buildings shall be reconciled at least annually with the covering control account.

- a. The total dollar value of the detail inventory records covered by a control account should equal the account balance. If there is a difference, the transactions recorded during the period shall be analyzed and the necessary adjustments made to the inventory records or to the control account as appropriate.
- b. Adjustments to a control account balance shall be approved by the Vice President for Business and Finance (or designee).
- c. The final annual reconciliation shall be certified in writing by the Vice President for Business and Finance (or designee). The certification shall be kept on file in the organization for audit purposes.

I. Controls for Land, Buildings, and Improvements

Record Keeping Requirements

For each State owned parcel of land and building BCCC is responsible for maintaining the following minimum data:

- 1. Land or Building identification.
- 2. Construction cost code and contractor (or seller).
- 3. Acquisition cost and date.
- 4. The physical location of the land or building.

5. The source of funds and the amount (If more than one fund source ,so indicate)
6. Payments to contractors, subcontractors, vendors, etc. for building construction, land and improvements thereto shall be recorded as they occur for each involved fund.
7. Total payments completed to date should be reported at the end of each fiscal year.

J. Asset Management / Equipment Inventory Management

Three groups are responsible for asset and inventory management. These groups are entrusted to maintain the standards for controlling inventories of materials, supplies, and plant and related fixed assets and to ensure the appropriate recording of the value of these assets. These groups are, Property Administration (Property Officer), Custodial Departments, and Financial Services.

Property Administration and Property Officer

BCCC's Property Administration Office maintains capitalized equipment inventories for College Central custodial departments. The duties and responsibilities of Property Administration and the Property Officer are to ensure the effective management and control of the College's property is as follows:

- A. Maintain BCCC's official capitalized equipment records to reflect custodial department-initiated actions concerning the addition of new equipment, modifications to equipment, changes in location, changes in condition, custodianship, and disposal;
- B. Coordinate equipment management activities of custodial departments, including recording and reviewing for correctness the results of periodic physical inventories, modifying equipment records, and deleting and retiring equipment as directed by custodial departments;
- C. Provide reports of inventoried equipment to custodial departments and other institutional offices as requested to facilitate equipment screening or proper maintenance of equipment inventory;
- D. In conjunction with Financial Services and Office of Contract and Grant Accounting, review and monitor general federal property control regulations of applicable Office of Management and Budget circulars and other regulations, incorporating changes to BCCC procedures as necessary;
- E. Provide overall guidance to custodial departments to facilitate the effective management and accounting of capitalized equipment;
- F. Prepare institution-wide reconciliation's and schedules as required to meet financial statement reporting standards;
- G. Initiate and coordinate an inventory of capital equipment no less frequently than once a year;

- H. Conduct reviews and/or audits of the capital equipment inventory as considered necessary by Financial Services, Internal Auditor, and the Office of Contract and Grant Accounting.
- I. The Property Officer in collaboration with the General Accounting Office ensures that the detailed records in the Asset Management System are reconciled to the Control Account on a monthly basis. The College maintains a control account in the General Ledger of all property owned by the College. The reconciliation is approved by the Controller, the Director of Accounting, and the Property Officer.
- J. The Property Officer ensures that a College-wide itemizes Inventory Report including property descriptions along with their values is prepared annually and presented to the Department of General Services.
- K. The Property Officer ensures that all disposal of property of the College is submitted to the Department of General services for approval before any disposal of property is recorded in the general ledger.
- L. Furnishes the Secretary of General Services with information as to the adequacy and accuracy of records and reports.
- M. Ensure Property records and reports are retained in accordance with the Record Retention Schedule of the College.

Custodial Departments

Each department head is responsible to the College for maintaining and safeguarding all College property entrusted to their care. Property items are inventoried centrally for each department.

Departments are required to assist and accompany Property Administration personnel in the taking of a thorough and complete physical inventory of all property and equipment in their possession. Departments will be notified in advance when inventory will be taken.

Divisions, departments and/or units that **acquire** equipment either through purchase, donation, or loan are hereafter referred to as "custodial departments" and are responsible for having mechanisms in place (consistent with College policies and procedures) to ensure the following:

1. Each division and/or department appoints an "Inventory Control Assistant" (ICA) and "Accountable Officer" (AO) to act as a liaison between the department and Property Administration. These individuals are responsible for coordinating physical inventories, processing all paperwork, keeping an organized property file and ensuring compliance with the procedures set forth by BCCC.
2. Use of appropriate College forms and account numbers to record purchases, sales, under and other activity.
3. Appropriate care to avoid purchase of unnecessary items.

4. Compliance with sponsor requirements when acquiring equipment from contract and grant funds or receiving equipment on loan from the government.
5. Prompt resolution of invoice/purchase order discrepancies to facilitate timely payment to vendors.
6. Appropriate processes are followed for surplus equipment.
7. Equipment purchased is received and in good condition.
8. Asset tags are affixed to capital equipment as provided by the Property Administration offices.

Custodial departments are also responsible for the proper **use and protection** of all capital equipment in their custody and include:

1. Implementing procedures (consistent with College guidelines) on acceptable acquisition, use, disposal, transfer and recording of capital equipment location, inventory counts, and physical security measures;
2. Appointing individuals to be responsible for inventory, disposals, transfers, and physical security;
3. Reviewing periodic reports of capital equipment inventory for accuracy and completeness;
4. Immediate reporting of theft to Public Safety, and timely notification of theft, loss, or disappearance Property Administration. (In those instances where equipment was purchased with federal and state contract or grant funds, notifying the sponsor may be required. Check with Business and Finance – Grants Office); and
5. Completing Property Transmittal Forms and submitting to Property Administration the following capital equipment transactions:
 - a) Change of Location
 - b) Surplus
 - c) Scrap
 - d) Theft
 - e) Loss
 - f) Transfer

Financial Services

General Accounting Office ensures that the detailed records in the Asset Management System are reconciled to the Control Account on a monthly basis. The College maintains a control account in the General Ledger of all property owned by the College. The reconciliation is approved by the Controller, the Director of Accounting, and the Property Officer.

Conduct reviews and/or audits of the capital equipment inventory as considered necessary by Financial Services, Internal Auditor, and the Office of Contract and Grant Accounting.

Coordinates the audits of the Property Control Accounts with the Office of Legislative Audits, State Auditors and other regulatory agencies.

Ensures the accuracy of fixed assets value and schedules including depreciation on the College's consolidated financial statements.

K. Federally Funded Equipment

Use and Disposition of Federally-owned Equipment

Federally owned equipment is equipment to which the Federal government has retained title. It can be equipment loaned to the College by the government or it can be equipment purchased with federal grant and/or contract funds where the grant or contract agreement specifies that title to purchased equipment vests in the Federal government.

Requirements for Federally owned equipment are as follows:

When it is required, the College shall submit annually an inventory listing of federally owned property in their custody to the Federal awarding agency. Upon completion of the award or when the property is no longer needed, the College shall report the property to the Federal awarding agency for further Federal agency utilization.

If the Federal awarding agency has no further need for the property, it shall be declared excess and reported to the General Services Administration, unless the Federal awarding agency has statutory authority to dispose of the property by alternative methods (e.g., the authority provided by the Federal Technology Transfer Act (15 U.S.C.3710 (1)) to donate research equipment to educational and non-profit organizations in accordance with E.O. 12821, "improving mathematics and Science Education in Support of the national Education Goals."). Appropriate instruction shall be issued to the College by the Federal awarding agency.

Title to equipment acquired by a grant recipient with Federal funds shall vest in the recipient, if the award document specifically states it. In certain instances, the awarding agency will retain title to the equipment and require that it be turned over to that agency at the conclusion of the project. In most instances:

The recipient shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the Federal awarding agency. When no longer needed for the original project or program, the recipient shall use the equipment in connection with its other federally sponsored activities, in the following order of priority:

- (i) activities sponsored by the Federal awarding agency which funded the original project, then
- (ii) activities sponsored by other Federal awarding agencies

If the recipient has no need for the equipment, the recipient shall request disposition instructions from the Federal awarding agency. The Federal awarding agency shall determine whether the equipment can be used to meet the agency's requirements.

Property Administration equipment records shall be maintained accurately and include the following information:

- (i) a description of the equipment
- (ii) manufacturer's serial number, model number, national stock number, or other identification number
- (iii) Source of funding for the equipment, including award and purchase order numbers
- (iv) who title vests with (recipient or Federal government)
- (v) acquisition date and cost
- (vi) location of equipment
- (vii) unit acquisition cost
- (viii) ultimate disposition date of disposal

Property Administration will use a distinguishing mark, which will be attached to the equipment identify Federal/recipient ownership.

Physical inventory of equipment will be taken and the results will be reconciled annually.

L. CENTRAL RECEIVING

Central Receiving takes delivery of all items purchased through the College's procurement office including purchases made with the State Purchasing Card. All items are received, inspected, and processed through Central Receiving before being tagged by Property Administration and delivered to the ordering department.

A. Orders and Deliveries

Central Receiving receives copies of all purchase orders from the College's Purchasing Department. All items received are matched against the original purchase order and entered into a database. The database includes the date merchandise was received, vendor's name, purchase order number, receiver number, date processed, ordering department and the status of the goods. When partial orders are received the records will be noted accordingly. All packages addressed to the President's Office shall be delivered the same day the package is received.

B. Receipt of Order

The Central Receiving Department is responsible for logging in goods, tagging and recording the fixed asset before deliveries are made to the departments. On delivery of the asset to the department Central Receiving personnel require proof of purchase (purchase order or copy of CPC invoice) signature, date, and time of delivery.

C. Direct Deliveries

Requests for direct delivery (orders delivered directly to requesting department) should first report to Central Receiving. Central Receiving inspects the order, contacts the requesting department, and directs the driver to the proper building location. A member of Central Receiving will meet the driver at the location and complete the procedures for delivery and receipt of order (See A and B)

M. Depreciation Guidelines

All depreciable assets will be depreciated using the straight-line method, with half-year convention. Generally, depreciation will begin when the asset is placed into service for its intended function. The straight-line method allocates an equal amount of the net cost of the asset to each accounting period in the asset's useful life. Six months of depreciation will be recorded for newly acquired library holding in the fiscal year of purchase regardless of the timing of the individual purchases. All depreciable property will have a 0% salvage value.

Asset Category	Depreciation Method	Useful Life
Buildings	Straight Line	50 yr.
Building Improvements	Straight Line	10-20 yr.
Leasehold Improvements	Straight Line	15 yr. (or the term of the lease, whichever is shorter)
Land Improvements	Straight Line	10-25 yr.
Equipment (including computer equipment)	Straight Line	5 yr.
Scientific Equipment	Straight Line	7 yr.
Furnishings & Fixtures	Straight Line	5 yr.
Vehicles	Straight Line	5 yr.
Software	Straight Line	5 yr.

N. Disposition

Capital assets which are obsolete, worn out, or no longer meet the requirements of the College will be surplus, transferred to another department, traded-in or discarded. Prior approval for the disposition of capital assets is required. An Inventory Control Disposal Form must be completed and approved by authorized personnel. The book value of land, land improvements, buildings, and equipment will be removed from the general ledger when disposed of or sold.

Items that are unserviceable and not economical to repair should be placed on a scrap pile or junked based on approval by Department of General Services. Serviceable items that are no longer needed by BCCC shall be reported to the Department of General Services and disposed of accordingly.

State Motor Vehicle Disposition

Disposition of State vehicles shall be authorized by the Department of Budget & Management (DBM) State Fleet Administrator prior to disposition of the vehicle. In accordance with COMAR .04.01.03 the method of disposition shall be determined by the Department of General Services (DGS). Disposal of vehicles is in accordance with the Department of General Services, Inventory Standards and Supports Services Division (ISSSD) vehicle disposition Procedures.

Disposal of Lands and Buildings

The disposal of land and buildings is governed by regulations promulgated by the State Clearinghouse for Intergovernmental Assistance, Office of Planning.

Proposed Implementation Date: Upon Board Approval

Proposed by: Kim James, Vice President Business and Finance
Vice President/Senior Staff Member

Approved by the Board of Trustees: June 22, 2010

Originator/Division: Property Administration /Financial Services and Business and Finance