



Title of Policy: Capitalization and Inventory Control Policy

Policy (check one): New _____ Revised X

Applies to (check all that apply):

Faculty _____ Staff _____ Students _____

Division/Department _____ College X

Purpose:

Investment in property, plant and equipment comprises a substantial portion of the total assets of Baltimore City Community College. It is essential for both financial statement and cost accounting purposes that the College including auxiliary services and all components follow a uniform policy regarding capitalization, valuation, and control of plant, related assets, and inventory.

Baltimore City Community College ensures the efficient use of capital invested in the College's inventory of materials and supply, provides consistent guidelines for the management and protection of the College's property, establishes uniform procedures for reporting inventory values, provides consistent guidelines for reporting missing and stolen College property, and disposal of excess and surplus personal College property. In addition to complying with generally accepted accounting principles and prudent financial management relative to the capitalization and inventory control of the College's assets.

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 University 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"

Policy Statement:

It is the policy of Baltimore City Community College to apply a uniform capitalization and inventory process. Inventories are conducted annually for equipment and supplies designated as sensitive and every 3 years for equipment and supplies that have no designation with a value of \$100.00 or more.

All Capital equipment must be properly tagged and recorded into the inventory and asset management system.

Originator/Division: Business and Finance

Implementation Date: June 22, 2010; March 14, 2024

Approved by the Board of Trustees: June 22, 2010; March 14, 2024

****This policy once approved by the Board of Trustees supersedes all other policies.***