



COLLEGE OF THE NORTH ATLANTIC

OPERATIONAL PROCEDURE

TOPIC: FIXED ASSETS INVENTORY

Procedure No.	FA-306-PR	Division	Finance & Administration
Supersedes	n/a	Board Policy Ref.	BP-FA-302B
Related Policy	FA-306	Effective Date:	April 30, 1998

PROCEDURE

1.0 Definitions

- A. **Fixed Assets** means capital acquisitions with a useful life of more than one year and a dollar value exceeding \$1,000. In addition, other items with a useful life exceeding one year and a value between \$250 and \$1,000 will be tracked.
- B. **Campus Contact Person** means person designated by the Campus Administrator to be responsible for tagging and maintaining the records of fixed assets.

2.0 Receipt of Assets

The Inventory Control Clerk will maintain the computerized Fixed Asset Inventory Control Management System at Headquarters.

- A. All fixed assets must be received through a receiving department at each campus.
- B. The receiving department will photocopy the packing slip and a copy of the purchase order and forward to the campus contact person immediately before the goods are delivered.

- C. The campus contact person will complete the Fixed Asset Acquisition Form (Exhibit A), assign an asset number and tag the asset.
- D. The end user of the asset will sign the recording form indicating receipt of the asset.
- E. All asset recording forms will be forwarded to the Inventory Control Clerk.
- F. The Inventory Control Clerk will enter the data in the Fixed Asset Management System.

3.0 Movement of Inventory

The Inventory Control Clerk is ultimately responsible for the movement of all fixed assets.

3.1 Inventory Movement (Between Campuses and/or Departments)

- 1) These guidelines apply to fixed assets as defined in 1A.
- 2) A Relocation/Disposal of Inventory Form (exhibit B) must be completed and approved by the manager before inventory is moved.
- 3) The form will be forwarded to the campus contact person who will arrange the movement. The form will also be copied to the Inventory Control Clerk.
- 4) Transfer/movement of inventory between departments will require the approval of both managers.
- 5) The temporary movement of inventory, for a period less than one month, between classroom/shops/labs on the same campus will not require the form.

3.2 Movement for Service or Repair

- 1) All assets leaving campus premises for service must have a Loan Note/Service Removal Form attached to the asset.
- 2) A copy of the form will be forwarded immediately to the campus contact person.

- 3) The campus contact person will regularly follow up on all forms to ensure that assets have been returned.
- 4) The authorized signing person shall be the manager or the campus contact person. A manager may delegate this authority to another staff member upon written notification to the Inventory Control Clerk.

3.3 Loan of Assets

- 1) College fixed assets will not be loaned to staff or others for personal use.
- 2) College fixed assets may be loaned:
 - to staff for work related activities.
 - to staff for their personal participation in work related training programs.
 - to Government funded agencies or organizations for business and/or emergency use; e.g., hospitals requesting use of medical equipment.
- 3) Any request for loan of assets not covered above will require executive approval.
- 4) The loan of fixed assets will be permitted only when such assets are not required by the College and will be subject to immediate return if College activities require their use.
- 5) The loan of fixed assets will be recorded on the Loan Note/Service Removal Form which will be approved by the manager or designate.

3.4 Temporary Work Sites

- 1) College assets assigned to a temporary training work site of two months or less will be recorded on the Loan Note/Service Removal Form and signed out to the staff member in charge of that training work site.
- 2) College assets assigned to a temporary training work site for more than two months will be recorded on the Relocation/Disposal of Inventory Form.
- 3) The manager, in consultation with the Facilities Manager, will ensure the availability of proper insurance for the asset at the temporary work site.

4.0 Disposal of Assets

4.1 Disposal of Surplus/Obsolete Assets

- 1) Fixed assets deemed to be surplus or obsolete will be disposed of by completing the Relocation/Disposal of Inventory Form which will be submitted to the Campus Administrator for approval.
- 2) On approval, the Campus Administrator will so notify the Campus Contact Person who in turn will advise the Inventory Control Clerk of the request for disposal.
- 3) On a monthly basis, a list of requests for disposal will be compiled by the Inventory Control Clerk who will provide all managers with the composite list.
- 4) Managers will be given a period of one week to submit a request for transfer of one or more of the items. Such a request must be substantiated by an acceptable rationale.
- 5) On completion of all transfer requests, a final list of assets for disposal will be prepared by the Inventory Control Clerk and submitted to the Vice-President of Finance and Administration. The Inventory Control Clerk will make a recommendation for disposal through transfer, dumping, public tendering, or auction.
- 6) The Vice-President of Finance and Administration will require board approval prior to proceeding with further action.
- 7) Any funds realized from the disposal will be deposited to general capital revenues and **NOT** back to the department disposing of the asset.
- 8) The Inventory Control Clerk will remove the disposed assets records from the files.
- 9) Once the disposal process has been initiated, the asset tagged for disposal is not to be moved to another location, under any circumstances, unless approval is granted by the Inventory Control Clerk and provided that a temporary storage site is available.

4.2 Donated Assets

The disposal process of donated assets will follow the direction that may be prescribed by the donor(s); otherwise, disposal will follow the procedures in 3.4.1 above.

5.0 **Stolen/Missing Assets**

- A. Any missing asset will be reported immediately by the staff member having control of the asset by completing and submitting the Report of Theft or Loss Form to the Campus Administrator. The Campus Administrator will ensure a copy is forwarded to the campus contact person and the Inventory Control Clerk.
- B. The Inventory Control Clerk will arrange for the removal of the record of the missing assets from the College file.
- C. Once there is clear evidence that the missing item has been stolen, the Campus Administrator will make the appropriate report to the RCMP.

6.0 **Trade-In of Assets**

- A. The campus contact person must be notified in writing by the manager if an asset is traded on a newer asset.
- B. The Inventory Control Clerk will remove the record of the traded asset from the Fixed Asset Management System and notify Accounting of the amounts.
- C. The new asset shall be recorded at the asset value without consideration of the trade. The traded asset will be removed and the trade-in value journalized to the general ledger.

7.0 **Asset Verification**

- A. The campus contact person will have the authority to conduct random spot checking of fixed asset inventory upon notification to the manager.
- B. The Inventory Control Clerk will forward to managers on a regular basis a listing of assets in their area for self checking.
- C. Any discrepancy will be reported immediately to the campus contact person.

8.0 Month-End Procedure

At month-end the fixed asset record will be reconciled to the General Ledger and submitted to the Comptroller for review.

Approval History	
Approved by President	April 30, 1998
Next Review	April 2012