

CPTC Procedure: Asset Management

Technical College System of Georgia State Board Policy 3.3.9 requires that technical colleges shall maintain accurate inventory records on the statewide accounting system for all property items that:

- Have an estimated usable life expectancy of three or more years, with the exception of computer software and,
- Have an acquisition cost of \$1,000 or more per item.

Additionally, Coastal Pines Technical College (CPTC) maintains a separate inventory of items that cost less than \$1,000 that meet certain criteria, easily transportable and susceptible to theft, in a separate software database. Examples include cameras and tablets.

Identifying Inventory Items

The Administrative Services Asset Management Team, who acts as coordinators for all asset management duties, will affix the proper decals to the inventory items when the inventory items are received. Asset management records are maintained in the College's asset management systems. Information in the systems include descriptions, model and serial numbers, locations, custodian's responsible and corresponding accounting information of the College's assets. A monthly asset reconciliation of all land, buildings, infrastructure and equipment purchases/donations shall be performed by Administrative Services, which will ensure all College asset acquisitions are identified and added to the College's inventory records. Library inventory items are maintained on the library inventory records by the Librarian.

Annual Physical Inventory

The State Accounting Office requires a physical inventory of all asset management items to be taken once every two years. However, CPTC performs an annual physical inventory. The Asset Management Team contacts the asset management custodians at the various locations and coordinates dates/times to conduct the physical inventory in the presence of the asset management custodians. The Asset Management Team compares the physical inventory to that which is recorded in the College's asset management systems. Any discrepancies in location, custodian or item status will be noted and investigated, and if necessary, changed in the system. The custodians sign the final inventory reports, and return to the Asset Management Team, keeping a copy for their records.

Computer Equipment and Furniture/Equipment Transfers

For changes in location, changes in the custodian, placing items in storage or surplus of computer equipment and furniture/equipment, the current custodian will complete a *Property Transfer/Surplus Form*. The form will be signed by the current custodian, approved by the supervisor of the current custodian and signed by the employee who is to receive the computer equipment/furniture/equipment. The Executive Director or Director of Information Technology shall approve all transfers of computer equipment (i.e. computers, servers, tablets, switches, routers, copiers). The Vice President for Administrative Services shall approve all transfers of furniture and equipment. Completed *Property Transfer/Surplus Forms* are routed to the Asset Management Team.

Transfers are to be performed according to the following guidelines:

□ **Changes in location or custodian of computer equipment and furniture/equipment**

All changes of location and/or custodian of inventoriable furniture/equipment must be reported on a *Property Transfer/Surplus Form*.

• **Storage of computer equipment**

The determination of when computer equipment is to be stored must be made by a member of the IT staff. A member of the IT staff will determine if the computer equipment is useable and will have a future purpose. Computer Equipment will be stored under the supervision of a member of the IT staff. A member of the IT staff will determine the new location of the computer equipment. The current custodian and supervisor will complete and sign the *Property Transfer/Surplus Form*; the IT staff person who will be assigned the computer equipment will sign as the new custodian. The Executive Director or Director of IT will determine final approval of the transfer of the computer equipment to storage.

• **Storage of Furniture/equipment**

Furniture/equipment meeting the following criteria may be placed in storage:

- a. Fair or better condition
- b. Equipment is in working order
- c. Good possibility of being used again in the future
- d. A current custodian requests to store the furniture/equipment and the furniture/equipment meets criteria a., b. and c.

CPTC has several locations in which furniture/equipment is stored. The current custodian and supervisor will sign the furniture/equipment transfer form. The new custodian will be a member of the maintenance department who is assigned the responsibility of the storage location to which the furniture/equipment will be moved. The Vice President for Administrative Services will determine final approval of the transfer of furniture/equipment to storage.

• **Surplus of computer equipment**

A member of the IT staff must make the determination of when computer equipment is surplus. The IT staff person will tag the equipment as surplus and remove the hard drive when applicable. The Executive Director or Director of IT will determine final approval of the surplus of computer equipment. An Asset Management Team member will process an online request to DOAS Surplus Property Division to have computer equipment and electronics (EScrap) picked up and disposed by an electronic disposal vendor contracted by DOAS Surplus Property Division.

• **Surplus of furniture/equipment**

When furniture/equipment has been determined to be no longer usable by CPTC, the furniture/equipment will be processed as surplus property. The *Property Transfer/Surplus Form* must be completed and the New Location that the furniture/equipment is being transferred is listed as "Surplus". A signature of the person accepting is not required. The Vice President for Administrative Services will determine final approval of the surplus of furniture/equipment. Upon receipt of the completed form,

an Asset Management Team member will determine the appropriate method of sale/destruction/disposal in accordance with the DOAS Surplus Property Manual.

- **Emergency transfers of computer equipment and furniture/equipment**

From time to time circumstances may warrant the emergency transfer of computer equipment and/or furniture/equipment. When such circumstances exist, then the Executive Director or Director of Information Technology may provide written approval (i.e. email) of emergency transfers of computer equipment. The Vice President for Administrative Services may provide written approval of furniture/equipment. It is the responsibility of the initiator of the emergency request to complete the *Property Transfer/Surplus Form* within five (5) business days of the date of the emergency request.

Overview of Transfer/Storage/Surplus Process

- Current custodian completes a *Property Transfer/Surplus Form*.
- Supervisor of current custodian signs the form approving the transfer/storage/surplus of the computer equipment/furniture/equipment.
- New custodian signs the form accepting the computer equipment/furniture/equipment then forwards the completed transfer form to the Asset Management Technician.
- Based on the type of assets(s) being transferred/stored/surplused, the Asset Management Technician forwards the form to either the Executive Director or Director of IT (computer equipment) or Vice President for Administrative Services (furniture/equipment).
- Executive Director or Director of IT approves all transfers/storage/surplus of computer equipment.
- Vice President for Administrative Services approves all transfers/storage/surplus of furniture/equipment.
- The Asset Management Technician sends the final approved transfer form to the current custodian and to the designated maintenance staff when submitting the Maintenance Work Order to transfer/surplus the items as stated on the *Property Transfer/Surplus Form*. The Asset Management Technician maintains the original of the transfer form.
- Maintenance will move the items, which are to remain in-service to the new location. Items that will not remain in service will be moved to storage or prepared for surplus in accordance with the completed transfer form.
- The Asset Management Team will process surplus using the online system provided by DOAS Surplus Property and will do so in accordance with the regulations established by DOAS Surplus Property.

Disposal/Destruction of Inventory Items

Once CPTC decides that property, inclusive of library books, is no longer needed, DOAS Surplus Property will work with CPTC to ensure that the selected disposal method returns the most value to the state. The disposal process for all the transaction types is comprised of four basic steps:

- CPTC completes the online request and attaches market quality photos of computer equipment/furniture/equipment in the DOAS Surplus Property system,
- DOAS Surplus Property reviews the submission and determines the best disposal method.
- CPTC releases/disposes of computer equipment/furniture/equipment as approved by DOAS Surplus Property.

- DOAS Surplus Property provides finalized approval to CPTC to remove computer equipment/furniture/equipment from the college's inventory.

On average, the process of disposal/destruction takes between 10 to 17 business days, depending on the type of transaction, the accuracy of the information provided by the agency, and other factors. Typically, the public sale option has the longest turnaround time as depicted below.

Note: Regardless of the type, all requests for disposal authorization must be received **prior** to the actual disposal. Requests submitted to DOAS Surplus Property after-the-fact will not be authorized.

Disposal Options

There are several options for disposing of state surplus property, from transferring the property to another state agency to scrapping it for the raw materials. The disposal process typically flows through the following transaction options: □ Redistribution (Transfer, Direct Negotiated Sale)

- Vendor Return
- Public Sale (Buy it Now, Internet Auction)
- Destruction/Disposal

Depending on the situation, these processes and other disposal methods may be employed as necessary and in any order.

Virtual Disposal

Most surplus property transactions are “virtual disposals,” meaning that the property remains with the College while it is processed and disposed. The virtual disposal process is:

- Cost effective – Reduces transportation and handling costs
- Flexible – Agency determines the disposal start times
- Available statewide –Assets available within the local community

Regardless of the disposal method, the first step in the process is completing the online Property Transfer Request. Since the assets are located throughout the state, the information that is sent to DOAS Surplus Property must be complete and accurate.

- All form fields are required – computer equipment/furniture/equipment has to be identifiable to be sold.
- List addresses and contact information where the property is physically located.
- Keep like items on single forms – do not mix disposal processes like cars with furniture. Enter complete “packages” including Property Transfer Request, photos, etc. at one time.
- Inform DOAS Surplus Property of convenient inspection and removal times, barriers to, or facilities for removing property.
- Note in the online request form: Unique circumstances that may require special handling, additional information and/or photos.

Photo Requirements to Accompany Property Transfer Request

When photographing an item for disposal, capture visual information that best reflects the details and condition of the item to a potential customer. “A picture is worth a thousand words.”

- Designate a staging area. This area should allow pictures to be taken without other items in the background. The background should not have activity and should be fairly clear; for example, when taking vehicle pictures, other vehicles should not be in the background. Inside a warehouse, use a tarp to cover background items that cannot be easily moved. Customers will assume that all items pictured are being offered for sale, even if the camera is focused on one particular item and the written description is specific.
- Capture key details. Take as many views as necessary to accurately show the item. Take close up shots that show item details such as data plates, control panels, mechanical or electrical components and connection points of items that must be disconnected or disassembled for removal. Photograph the wire plug end, if applicable, and any damage to the item.
- Use correct lighting. Any lighting or sun should be behind the camera. (Watch for shadows as well.)
- Save in the correct file format. The picture format must be .jpg and sized to 600 x 400 (1 MB). In MS Office Picture Manager resize to "Pre-Defined" selection, Web-Large (640x480).
- Name pictures for easy identification. When submitting multiple items on a single online Transfer Request, rename photos in the same way the items are listed by line item on the online Transfer Request.
- Designate folder(s) to store the pictures on your PC. You will need to navigate to this folder to attach your photos to the e-mail (with your online Property Transfer Request and inspection form, if required) for submission to DOAS Surplus Property.

Additional Information to Include With DOAS Surplus Property Transfer Request

For surplus equipment, the following list includes other information that is helpful to know and may be requested when describing the property.

- Date taken out of service
- Was this item known to be operational when last in service
- Acquisition cost if known
- What kind of damage if any
- Engine type –how many cylinders
- Motor – Size, Hp, Hours
- Fuel type– Gas, Diesel, Propane, Electric
- Voltage 110 or 220
- Hertz
- Single or 3 Phase
- What type of plug does the item have
- Brand
- Manufacturer
- Model
- Year
- Serial Number
- Weight
- Size – provide dimensions: height, length and width
- Tank size? Number of gallons
- Type of tank? Material made of, Fiberglass, Metal, Poly, etc.
- Generator – What is the KW size

- Is the item skid mounted or trailer mounted
- All data plate information that is available

Redistribution

Redistribution of state assets is the primary goal of DOAS Surplus Property. Frequently, assets that are no longer needed in one agency may still have useful life in another. The state saves not only through avoidance of acquisition costs, but in the purchasing administration costs as well.

Agencies are encouraged to develop business relationships with other state entities, local governments, and participating nonprofit entities in their communities. Redistribution within local communities strengthens the agency's standing, and supports the economy. Redistribution saves the agency time and other disposal costs. Redistribution options include:

- Intra-Agency Transfer
- Inter-Agency Transfer (T)
- Direct Negotiated Sale (DNS)

Redistribution Procedures

- Custodian agency enters online Property Transfer Request and attaches photos for each piece/lot.
- DOAS Surplus Property post items on its website for five (5) business days to permit redistribution to other state entities, local governments and eligible nonprofit organizations.
- Items not redistributed will be offered to the public.

Intra-Agency Transfer

Intra-Agency Transfer occurs when property is moved between internal business units of the same agency. Before submitting an online surplus property request, each agency should ensure that someone else within its agency, including other physical sites, could not use the property. As long as the property physically resides within the custodian agency, property that is being moved between internal business units does not require DOAS approval. Agencies may use the Property Transfer Form for internal transfer tracking. Examples include:

- Georgia Department of Corrections (GDC) moves property between facilities (the property remains within GDC)
- Atlanta Technical College moves property to Wiregrass Technical College (TCSG to TCSG)
- University of Georgia moves property to Georgia State University (BOR to BOR)

The DOAS Surplus Property Division will not issue transfer authorization numbers for these transactions.

Inter-Agency Transfer

Inter-Agency Transfers occur when property is moved between state agencies or entities.

Direct Negotiated Sale

Direct Negotiated Sales are used for redistribution from a state agency directly to an eligible donee. DOAS Surplus Property must approve the transaction, will generate the invoice, and collect and disburse the funds.

Restrictions on Direct Negotiated Sales

For a period of twelve (12) months from the date of transfer or sale, all state surplus property will be subject to the following restrictions:

- Property may only be used for official agency purposes; personal use is prohibited.
- Only donee employees listed in the agency selector list may sign for receipt of property.
- The State of Georgia reserves the right to approve or deny property transfers based on equitable and appropriate redistribution and, appropriateness for donee use.
- Property acquired must be used by the donee organization for the intended purpose. Property title and ownership must be maintained by the donee for the restriction period. Property may not be re-sold, traded, loaned, or cannibalized without permission from DOAS Surplus Property.
- Utilization visits may be conducted any time during the restriction period. Donees found noncompliant may be required to return the property, forfeit the service fee paid, and/or have accessorial fees assessed at the discretion of DOAS Surplus Property.

Vendor Return/Trade-in

Vendor Return/Trade-In occurs when state agencies trade-in material in exchange for some concession when acquiring new, like property. Vendor return transactions must be submitted to and authorized by DOAS Surplus Property. State entities should provide some benefit or advantage to the state to approve these transactions. For instance, the advantage can be a discount on the new material, cost avoidance on the removal/disposal of the old property, or any combination. These transactions are frequently seen with:

- IT/Computer replacement procurements (vendor agrees to remove old equipment)
- Large equipment procurement (e.g. tractors)
- Building systems replacements (e.g. HVAC removal)
- "Totaled" vehicle damage where other party pays for liability
- Weapon upgrades

Sales to the Public

Items that have not been destroyed or redistributed are normally offered via the internet to the public through either "Buy it Now" (fixed price) or auction sale. In keeping with the mission to redistribute property, *all materials will be listed for 5 days to eligible donees prior to authorizing the sale to the public.* Agencies need to plan for this cycle when developing their disposal schedule.

"Buy it Now" (BIN) Sales

BIN Sales are intended to give agencies an opportunity to offer low cost property to the local community. It is particularly suited for the disposal of office furniture and small items. The original acquisition value must be less than \$5,000 in order to qualify for a BIN sale.

Items will be posted on an internet sales site with a fixed price. Interested buyers will pay through PayPal and will be issued a bill of sale. They will present the bill of sale at the appointed pick-up time as proof of payment.

Internet Auctions

The primary difference in deciding to use an Internet Auction vs. BIN is the anticipated fair market value. For higher priced commodities, increased competition will naturally drive the price to the market value.

Other considerations when dealing with public buyers:

- Read the public sale Terms and Conditions so you understand what the buyer and State of Georgia have agreed to.
- Do not “promise or guarantee” condition, parts, pricing, etc.
- Inform DOAS Surplus Property of convenient inspection and pick-up times.
- Ensure that the property is accounted for and available before the sale is posted.
- Inform DOAS Surplus Property of any pick-up restrictions or facilities so customers are prepared with the correct equipment (i.e. on 2nd floor, no elevator, have loading dock, etc.).
- Do not release property to anyone without the signed bill of sale.
- Do not accept any money.
- Contact DOAS Surplus Property if there are any issues with a customer.

Disposal Authorization (Prior Destruction Authorization)

On-site destruction of property is frequently the most appropriate method of disposal. Destruction should be considered when property is damaged and repair is either not feasible, inappropriate, or the cost exceeds the fair market value (FMV).

The Affidavit of Destruction has been revised to permit disposal options other than destruction. It is now the ***Affidavit of Disposal (AD)***. The AD is required before any property is disposed.

Note: All requests for destruction authorization must be received prior to destruction and disposal. Requests submitted to DOAS Surplus Property after-the-fact will not be authorized.

Authorized Disposal Guidelines

- As a “rule of thumb”, any property with a FMV <\$20.00 that cannot be redistributed within the custodian agency should be considered for disposal. This excludes highly pilfered items or electronic equipment capable of storing data (i.e. flash drives).
- When an agency requests disposal authorization, the intrinsic value must be considered. Frequently an item may not be useful for its intended purpose (i.e. metal desk with a broken leg) but still has scrap or recycle value. In this case, it is in the state’s best interest to destroy through scrap or recycling rather than paying disposal costs.
- Additionally, it is in the state’s best interest that all disposals are conducted in the most environmentally appropriate and friendly manner. Redistribution is preferred to recycling and recycling is preferred to trash. Items that must end in the agency waste stream should be minimized to the fullest extent possible.

- DOAS has contracted with a vendor to dispose of electronics. The disposal of trash, scrap, or recycling is an agency responsibility and as such, the agency bears any cost and gains any proceeds.

How to Complete an Authorized Disposal/Destruction

- Custodian agency completes and enters online Property Transfer Request with photos for each piece/lot.
- Surplus determines that destruction is the appropriate method and provides agency with Affidavit of Disposal (AD) form and number.
- State agency executes the AD with the signature of witness.
- State agency returns executed AD to Surplus within 14 business days to complete the transaction.
- If the agency does not return the AD to DOAS within 14 business days, the transaction will be voided.

Affidavit of Disposal Form

The Affidavit of Disposal (AD) provides two options for disposal—destruction or donation—described below. Prior approval from DOAS Surplus Property is required before destruction or donation.

- When property is designated for destruction, it must be rendered unserviceable and disposed of in an environmentally appropriate manner (i.e. placed in a dumpster). The Property Coordinator or custodian should check the appropriate box on the affidavit and execute the remainder of the form.
- For items that are unsold, but are still serviceable, the custodian agency may elect to contact a local charitable (IRS 501(c)) organization and donate the property in lieu of adding to and paying for waste disposal. This option may also be used for equipment that has scrap value, but is not physically destroyed on site. Agencies are encouraged to develop a network of groups for donation and are cautioned when exercising this option to not show favoritism to any specific agency.

Responsibility

The Vice President for Administrative Services has the overall responsibility of ensuring this procedure is implemented.

Adopted: February 27, 2014

Revised: March 16, 2022