



<b>Policy Number and Title:</b>	<b>200.110 PROPERTY MANAGEMENT POLICY</b>		
<b>Approval Authority:</b>	Board of Regents	<b>Date Effective:</b>	July 1, 2018
<b>Responsible Office:</b>	Accounting	<b>Responsible Office Contact:</b>	Vice President for Business and Finance

**1. POLICY STATEMENT/REASON FOR POLICY**

Bay Mills Community College ("BMCC") must properly classify, safeguard and depreciate its equipment as well as abide by federal guidelines and the terms of grant awards with respect to the purchase, use and disposition of property and equipment. This Policy is intended to comply with the property standards of the OMB Uniform Guidance (2 CFR §§200.310-316, Property Standards).

**2. ENTITIES AFFECTED BY THIS POLICY**

All BMCC Departments.

**3. WHO SHOULD READ THIS POLICY**

Administrators, Department Heads and all those responsible for property management.

**4. WEB SITE ADDRESS FOR THIS POLICY**

-This policy can be found at:

<http://www.bmcc.edu/about-bmcc/governance-administration/college-policies>

**5. FORMS/INSTRUCTIONS**

No forms required.

**6. HISTORY**

An amended Property and Procurement Management System was approved at the June 28, 2002 Board of Regents meeting. As a result of comments in the audit for the 2001-2002 school year, the BMCC Procurement Policy was separated from the Property Management Policy. Accordingly, the Property Management Policy was approved by Board action on March 14, 2003.

This policy was amended on July 31, 2018 with an effective date of July 1, 2018 to reflect changes in federal law requirements and it supersedes the old BMCC Property Management Policy.

-Amended: July 31, 2018

-Next Review Date: July 1, 2021

-BMCC reserves the right to revise policies at any time.

## 7. THE POLICY

### 200.110 PROPERTY MANAGEMENT POLICY OF THE BAY MILLS COMMUNITY COLLEGE

This Policy is intended to comply with the property standards of the OMB Uniform Guidance (2 CFR §§200.310-316, Property Standards).

#### I. GENERAL PROVISIONS

##### A. PURPOSE

Bay Mills Community College ("BMCC") must properly classify, safeguard and depreciate its equipment as well as abide by federal guidelines and the terms of grantor awards with respect to the purchase, use and disposition of property and equipment. Requirements can be found under OMB Uniform Guidance (2 CFR §200.310-316, Property Standards).

##### B. APPLICATION

This Policy shall apply to the management of all property and equipment purchased by BMCC. When both Federal and non-Federal funds are used for a project, the property and equipment purchased with Federal grant or contract dollars shall be separately identified.

##### C. DEFINITIONS

- (i) **Equipment.** For BMCC purposes, equipment is tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5,000. Delivery and installation costs included with the initial purchase of the equipment will be recorded as part of the total value of the asset. Purchases of replacement parts will not be considered equipment.
  - (a) If component parts are purchased or designed and assembled, the component parts may cost less than \$5,000 individually but will be considered equipment if the final assembled product costs more than \$5,000 and has a useful life of more than one year.
- (ii) **Property.** Property means real property or personal property.
- (iii) **Real Property.** Real property means land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.
- (iv) **Personal Property.** Personal property means property other than real property. It may be tangible, having physical existence, or intangible.
- (v) **Intangible Property.** Property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible).
- (vi) **Supplies.** Supplies means all tangible personal property other than those described in Equipment. A computing device is a supply if the acquisition cost is less than \$5,000, regardless of the length of its useful life.

## **D. PURCHASES**

All property and equipment purchased with federal funds must have grantor approval. Approval by the grantor of a budget containing property and equipment constitutes prior approval. If the property or equipment was not included in the grantor approved budget, a re-budgeting request must be submitted to the Accounting Department, as well as the grantor.

Equipment purchased with federal funds must be used for the awarded project or program for as long as it is needed. The equipment must be made available for shared use as long as it will not interfere with the original project. In addition, there can be no user charge to other departments and the equipment cannot be leased to outside organizations unless expressly allowed by the grantor. Personal use of federally acquired equipment is prohibited.

All purchases of property and equipment shall comply with the BMCC Procurement Policy and will be capitalized if it has a useful life of more than one year and the cost equals or exceeds \$5,000.

## **E. DEPARTMENT RESPONSIBILITY**

Departments should provide the care necessary and establish adequate maintenance procedures to keep the property in good condition (normal wear is expected). Departments shall also develop a control system to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated and reported to the Accounting Department.

Departments are responsible for contacting the Accounting Department to obtain the general ledger account number on purchase orders and contracts, which properly identify the property and equipment.

Each department will assist the Accounting Department in locating and identifying property and equipment during the physical inventory.

## **F. TRACKING EQUIPMENT**

It is the responsibility of the Accounting Department to maintain a list of all property and equipment purchased. This list, also known as the Fixed Asset List, will be compiled as property and equipment purchases are identified during the general ledger fixed asset review process. The list will be reconciled with the asset management system at least biannually. This list will include, at a minimum:

- Description of property including model number and serial number, if available.
- Funding source used for purchase
- Who holds title
- Purchase date
- Purchase cost
- Record of receipt of purchase (copy of invoice/purchase order)
- Percentage of Federal participation in the project costs for the Federal award under which the property was acquired
- Location, use and condition of the property

- Any ultimate disposition data including the date of disposal and sale price of the property.

## **G. INSURANCE**

BMCC shall, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by BMCC. Federally-owned property need not be insured unless required by the terms and conditions of the Federal award.

BMCC reviews insurance coverages each year to make sure that assets are protected from loss.

## **H. PHYSICAL INVENTORY**

BMCC is required to perform a full physical inventory of its property and equipment, acquired with federal funds, at least once every two years in accordance with the OMB Uniform Guidance 2 CFR §200.313. The results of the inventory shall then be reconciled with the property records.

The Accounting Department will conduct this physical inventory. Each department will assist the Accounting Department in locating and identifying equipment during the physical inventory. The Accounting Department shall investigate differences between the physical inventory and fixed asset inventory records and take the appropriate action based on whether the item was inadvertently omitted from the records, destroyed, lost or stolen.

## **I. DISPOSITION OF EQUIPMENT**

Prior to disposing of property and equipment, the Accounting Department must be notified. The Accounting Department will need to determine who retains title to the equipment and the proper method of disposal. All property acquired with federal funds shall be disposed of in compliance with the OMB Uniform Guidance (2 CFR §§200.310-316, Property Standards).

In general, equipment purchased with federal funds becomes the property of BMCC when it is delivered. There are however, some grantor agreements under which the grantor retains title to any equipment purchased with grantor funds. If the grantor retains title, the agency must be notified if the equipment is to be disposed of, transferred or sold. Once the federal agency is notified, approval must be granted in order for an action to take place. The money received from a sale must be returned to the agency.

## **J. INTANGIBLE PROPERTY**

Intangible property that was acquired under a federal grant award must be made available to the federal grantor agency, and parties authorized by that agency.

In general, when a federal funding source is used to acquire intangible property, the federal awarding agency has a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for its purposes, or for the purposes of any parties authorized by the agency. Specific requirements for copyrights, patents and inventions, and research data are located in the OMB Uniform Guidance 2 CFR §200.315, Intangible Property.

## **K. PROPERTY TRUST RELATIONSHIP**

Real property, equipment, and intangible property, that are acquired or improved with a Federal award must be held in trust by BMCC as trustee for the beneficiaries of the project or program under which the property was acquired or improved. The Federal awarding agency may require BMCC to record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with a Federal award and that use and disposition conditions apply to the property.

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We do hereby certify that the foregoing 200.110 Property Management Policy of the Bay Mills Community College was duly presented to, and adopted by, a vote of the Bay Mills Community College Board of Regents, with 8 For, 0 Against, and 1 Abstaining, on July 31, 2018.

  
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Brian P. Kinney, Secretary  
Bay Mills Community College Board of Regents

8/28/18