

**PURCHASING – FIXED ASSET CONTROL**

AP No. 6337
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Board Reviewed: 9/68; 5/73; 12/74; 10/77; 12/82; 2/83; 2001; 8/16/06

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## I. Fixed Asset Control

All items purchased are delivered to the warehouse. The warehouse personnel verify the item received and matches the pink copy of the Purchase Order to the carrier's shipping documents. If the item does not correspond to the Purchase Order, the purchasing agent is notified to determine whether to accept or return the shipment.

II. Upon acceptance, the item is received by the warehouse personnel, a warehouse receipt is issued by signing the Purchase Order copy, the item is logged and the Purchase Order is filed in chronological order.

III. Items purchased, other than items less than \$500 which are considered supplies, should be tagged for internal control purposes as follows:

- A. Items in the amount of \$500 and less than \$1,000 will only require a "RHC property" sticker and do not need to be capitalized or entered into the fixed asset data base.
- B. Items in the amount of \$1,000 and less than \$5,000 will require a tag number. These items will be entered into the fixed asset data base for tracking and safeguarding purposes only but not capitalized or depreciated.
- C. Items over \$5,000 will require a tag number. These items will be entered into the fixed asset data base to be capitalized and depreciated.
- D. The warehouse personnel affixes "RHC Property" sticker on items less than \$1,000, other than supplies, and delivers it to the department that initiated the purchase order.
- E. For items over \$1,000, the warehouse personnel acknowledge receipt of the items into the fixed asset data base and enters the asset type, quantity, estimated life for items over \$5,000, delivery date, department location, tag number and delivers the item to the department that initiated the request.
- F. For items delivered directly to departments, the cost center manager or designee will inform the warehouse personnel of the item received and coordinate with the warehouse storekeeper who will place a tag number or "RHC Property" sticker on the item, as per number 14 above. The warehouse personnel will document in the purchasing system that the item has been tagged or a RHC sticker has been

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affixed on it, the name of the requester, location of the item and obtain a copy of the purchase order for backup reference.

- G. A transfer/disposal form is filled out when items are disposed of or transferred from one location to another together with a work order form.
- H. The transfer/disposal form along with the work order form should be sent to the Director of Contract Management and Vendors Services, to initiate the transfer or disposal process and update the fixed asset data base.
- I. Prior to disposing of any surplus, Director of Contract Management and Vendors Services will obtain board approval.
- J. Once a year, each cost center manager will receive a fixed assets report generated from the fixed asset data base by the Director of Contract Management and Vendor Services:
  - 1. Cost center managers will use the report to perform a physical inventory under their responsibility.
  - 2. The results of the physical inventory are to be returned to the Director of Contract Management and Vendor Services for review, reconciliation and to update the fixed asset data base.