



POLICY No. BAA-001

INTERNAL POLICY AND PROCEDURE

TITLE: Procedures for Reconciling Movable Property per Property Control to Delgado's Financial System

EFFECTIVE DATE: September 15, 2002

CANCELLATION: None

DIVISION: BUSINESS AND ADMINISTRATIVE AFFAIRS (BAA)

CATEGORY: Property Control (O)

RESPONSIBLE DEPARTMENT: Controller's Office

POLICY STATEMENT

Good internal controls include adequate segregation of duties so that different employees authorize and record transactions and have physical custody of assets.

PROCEDURES & SPECIFIC INFORMATION

1. **Purpose:**
To document established procedures to ensure proper reconciliation of Property Control Records to Financial Records (purchases).
2. **Scope and Authority:**
This issuance applies to all employees of Delgado Community College responsible for Property Control (tagging, maintenance of inventory and reporting to the LPAA) and employees of the Controller's Office responsible for tracking purchases of movable property (comparing payments to tagged items and identifying items tagged but not paid and vice versa.)
3. **Procedures:**
 - A. **Data Base Maintenance** – A database has been established and is accessible to Property Control and the Accounts Payable Departments. The maintenance of this database is the responsibility of both the above departments. The following procedures are effective immediately:

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1. When Property Control is notified and/or receives movable property with a value of \$1,000 or greater, a tag number must be assigned and placed on the property no later than 60-days. At the point a tag number is assigned, the database must be updated with the tag number, P.O. Number, P.O. value of tagged item and the date physically tagged. **Property Control cannot enter this item into the LPAA System until Accounts Payable completes what was paid in Step A.2 below (P.O. price may be more/less than actually paid).** Once this is done the value paid must be input into the LPAA System by Property Control. **This is a continuous process.**

 2. Every Friday Accounts Payable will access the database and update the Financial Information (i.e. P.O. Number, Paid amount). If the paid amount is different from the Property Control P.O. Value a reconciliation is required between the two. If there are items paid in the Financial System but do not appear in the Database as tagged items, they are listed and Property Control must investigate to determine where the property is and have the item tagged. This is the notification that there is property that we have paid for that Property Control has not tagged.
- B. **Formal Reconciliation** – A formal reconciliation of the Property Control System and the Financial System will be done no less than every six months. **This will detail any reconciling items between the two and identify both property that has been purchased/received but not tagged and property received/tagged but not paid for.** This Formal reconciliation will be done not less than semi-annually.

By: *Controller*
September 15, 2003