NORTH CAROLINA COMMUNITY COLLEGES

Procurement & Auxiliary Services
Procedures Manual

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Procurement & Auxiliary Services Section
Raleigh, North Carolina

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Contents

INTRODUCTION

The information contained in this manual represents an effort by the Procurement & Auxiliary Services Section of the North Carolina Community College System to consolidate existing policies and procedures regarding the processes to be followed in the areas of purchasing, equipment inventory control, auditing, and disposal.

This manual should be used as a general guideline and not considered as a legal document. The laws and policies in these areas do change from time to time. Links have been provided for the North Carolina General Statutes and the North Carolina Administrative Code referenced throughout the document.

Any suggestions for improvements or additions to this manual will be appreciated.

A section entitled "Agency Contacts" and "Related Sites" lists the mailing address, phone number, and web page address for each related agency. Their web pages provide a great deal of useful information.

Agency Contacts

- NC Community College System   Telephone: (919) 807-7100
  5013 Mail Service Center
  Raleigh NC 27699-5013
  Street Address: 200 West Jones Street, Raleigh, NC 27603-1379

Director, Procurement Services	(919) 807-7199
Associate Director, Procurement Services	(919) 807-7087
Procurement Technician	(919) 807-7089

- NC Department of Administration   Telephone: (984) 236-0210
  Division of Purchase and Contract
  1305 Mail Service Center
  Raleigh NC 27699-1305
  Street Address: 116 West Jones Street, Raleigh, NC 27603-8002

David O'Neal	State Purchasing Officer	(984) 236-0241
Nicole Hunter	Deputy State Purchasing Officer	(984) 236-0246

- Department of Information Technology   Telephone: (919) 754-6141
  4101 Mail Service Center
  Raleigh NC 27699-4101
  Street Address: 200 West Jones Street, Raleigh, NC 27603

James Tanzosch	Statewide IT Procurement Director	(919) 896-2814
Leroy Kodak	State IT Procurement Officer	(919) 754-6665
Andrea Pacyna	State IT Procurement Officer	(919) 754-6669

- State Surplus Property Agency   Telephone: (919) 814-5605
  NC Department of Administration
  1310 Mail Service Center
  Raleigh NC 27699-1310
  Street Address: 6501 Chapel Hill Road Highway 54 West, Raleigh NC 27607

Gwen Williams	Director	E-mail: gwen.williams@doa.nc.gov

- Office for Historically Underutilized Businesses   Telephone: (984) 236-0134
  NC Department of Administration
  1336 Mail Service Center
  Raleigh NC 27699-1336

Alicia Lyon	Interim Director	E-mail: huboffice.doa@ncmail.net

- Independent Insurance Agents of North Carolina, Inc.   Telephone: (888) 274-6896
  PO Box 1165
  Cary NC 27512
  Physical Address: 101 Weston Oaks Court, Cary NC 27513

Barbara Abrahams	State Insurance Account Manager	Email: babrahams@iianc.com

  (The current policy number is PR-CAP-104T680-0-22. Note that the last two digits change with the calendar year).

- NC Department of Insurance   Telephone: (919) 647-0059
  PO Box 26387
  Raleigh NC 27611

Bryan Henkle	Risk Manager

PURCHASING

SECTION A

Purchasing Policies and Procedures

The North Carolina General Statutes, the North Carolina Administrative Code, and the State Board of Community Colleges Code (SBCC Code) govern purchasing policies and procedures for community colleges.

Note: The State Board of Community Colleges has adopted what was previously codified as Title 23 of the North Carolina Administrative Code as the SBCC Code. To access the current rules, please visit the link below.

State Board of Community Colleges Code (SBCC Code)

NC Department of Administration Procurement Resources

NC Administrative Code

NC Administrative Code Title 1, Chapter 5 - Purchase and Contract

These policies and procedures must be adhered to when the System Office and colleges purchase supplies, equipment, and materials, **regardless of the source of funds**. The **North Carolina Procurement Manual** covers the State's purchasing procedures in greater depth and should be the primary source for purchasing information and used in conjunction with this manual. Likewise, if a college is making a purchase of information technology equipment through the auspices of the Department of Information Technology (DIT), a college should consult the **NC Statewide IT Procurement Office Manual**.

This section of the manual deals primarily with the questions most frequently asked concerning various purchasing procedures and does not attempt to cover all the problems that you may encounter. Specific problems regarding purchasing should be addressed to the Division of Purchase and Contract (P&C), DIT, or the Director for Procurement and Auxiliary Services at the North Carolina Community College System Office.

GENERAL PURCHASING INFORMATION

A. Department of Adult Correction, Correction Enterprises

North Carolina has a preference statute (G.S. 148-134) that controls the sale of prison industry products and prohibits their sale to the private sector. All agencies shall give preference to **Department of Adult Correction, Correction Enterprises** products in purchasing articles, products, and commodities that are manufactured or produced within the State prison system and offered for sale to them by the Department of Adult Correction, Correction Enterprise. You may reference **Statewide Term Contract (STC 001A) – Correction Enterprise Products** for further information. **This preference requirement also applies to all** <u>community colleges</u> (except printing).

<u>Products available from the private sector, including those on term contracts, shall be purchased only when it is determined that Correction Enterprises' product will not satisfy the requirement or will not be available when needed.</u>

Correction Enterprises is required to keep the price of products substantially in accord with that paid by governmental agencies for similar products of equivalent quality.

B. Contracts for Nonprofit Work Centers for the Blind and Severely Disabled

G.S. 143-129.5 instructs a city, county, or other governmental entity subject to this statute the ability to purchase goods and services directly from a nonprofit work center for the blind and severely disabled. The Division of Purchase and Contract has established **Statewide Term Contract (STC 0002A) – Goods and Services from NPWCBSD** to procure these goods and services.

If a good or service awarded to a non-profit work center vendor is already covered by Correction Enterprises or an existing statewide term contract, they **may** be ordered from vendors under this contract as a secondary option when the vendors on the primary contracts cannot provide them. For each occurrence, state entities are required to document that Correction Enterprises or the statewide term contract vendors, as applicable, were contacted and were unable to provide the good or service required. If the goods or services awarded are not available on an existing statewide term contract, the ordering priority will be Correction Enterprises, then awarded NPWCBSD vendors.

C. Purchasing Benchmark (Delegation)

For purchases made through P&C, the **basic** purchasing benchmark (delegation) under which each community college has the authority to issue "open market" purchases for equipment and supplies up to and including $50,000.00.

The passage of House Bill 490 Section 1 (c) affords the State Board of Community Colleges (State Board), in consultation with the Department of Administration (P&C), authorization to increase or decrease the purchasing/delegation benchmark for each community college based on the college's overall capabilities, including staff resources, purchasing compliance reviews, and audit reports. The State Board shall not increase a community college's purchasing/delegation benchmark by more than 15.0% in any calendar year without the concurrence of the Department of Administration. DOA will have up to 60 days to review and respond to the System Office.

The maximum purchasing/delegation benchmark for a community college shall be one hundred thousand dollars ($100,000.00).

Link for procedures to request a purchasing/delegation benchmark increase: https://www.nccommunitycolleges.edu/finance-operations/purchasing

When requesting an increase in purchasing delegation, a community college must submit the following items to the Vice President of Business & Finance and Chief Financial Officer of the North Carolina Community College System:

1. College Internal Purchasing Manual with policy/procedures for ALL transaction types

2. Recent copy of a bid posted on IPS

3. Recent copy of a posted E-Quote

4. Formal letter signed by the President of the college requesting the new delegation and the rationale for doing so

5. Request for Increase in Purchasing Delegation (Form 490)

6. Copy of a favorable compliance review report from the Division of Purchase and Contract (P&C)

7. Compliance report must have been conducted within the prior 12 months and *the review must be of the current purchasing staff*

8. If the compliance review was conducted more than 12 months, college must request a visit from the compliance review team

9. If any finding(s) is(are) noted in the compliance review, the college must provide documentation that issue(s) has(have) been rectified

A review committee composed of the Director for Procurement & Auxiliary Services and Associate Director for Procurement Services from the System Office will process the requests and consider the following factors:

1. The college's overall capabilities:
   a. Staff capacity to absorb additional volume and complexity
   b. Frequency of staff turnover
   c. College commitment to a higher delegation

2. Experience and training of the procurement staff of the requesting college

3. Purchasing compliance reviews

4. Staff resources

5. College internal purchasing procedures

6. Audit reports from the NC State Auditor's Office

Community Colleges have two options to choose from when deciding on what type of increase to request. The options are as follows:

Option 1: As stated in House Bill 490, the State Board shall not increase a community college's purchasing/delegation benchmark by more than fifteen percent (15.0%) in any calendar year.

Current Delegation	15% of $50,000.00	15% of $57,500.00	15% of $66,125.00	15% of $76,043.75	15% of $87,450.31
$50,000.00	$7,500.00	$8,625.00	$9,918.75	$11,406.56	$13,117.55
	15% of $75,000.00	15% of $86,250.00	15% of $99,187.50		
$75,000.00	$11,250.00	$12,937.50	$812.50		

Once all the requirements have been submitted, the review committee will evaluate the request thoroughly and strive to complete the process within thirty (30) days after the receipt of request. If the Vice President of Business and Finance, in concurrence with the review committee, agrees to approve, deny, or approve a lesser amount, an agenda item for review and consideration by the Finance Committee of the State Board will be prepared. If the action is approved by the Finance Committee, the State Board will be asked to take action. If the State Board approves the action, the requesting college will receive official notification from the System Office. The approval will have an "effective" date of the first day of the month following approval. This should allow sufficient time to notify all parties.

Option 2: Requires the approval of the State Board with the concurrence of the Department of Administration, Division of Purchase & Contract.

1. A college may not request an increase of more than the next level delegation.

2. Current delegation is $50,000.00; if approved by both State Board and P&C, delegation amount cannot exceed $75,000.00 within two years of initial request,

3. Current delegation is set at $75,000.00; if approved by both State Board and P&C, delegation amount cannot exceed $100,000.00 within two years of initial request.

The review committee will evaluate and complete the review process within thirty (30) days after the receipt of request. If the Vice President/Chief Financial Officer, in concurrence with the review committee, agree to approve, deny, or approve a lesser amount, the request will be submitted to P&C for their review and recommendation. P&C will have up to sixty (60) days for their review process.

Once the System Office receives the recommendation (approve, deny, or approve a lesser amount) from P&C, an agenda item for review and consideration by the Finance Committee of the State Board will be prepared. If the action is approved by the Finance Committee, the State Board will be asked to take action. If the State Board approves the action, the requesting college will receive official notification from the System Office. The approval will have an "effective" date of the first day of the month following approval. This should allow sufficient time to notify all parties.

D. Protest Procedures (P&C)

Protest procedures remain the same as stated in the **North Carolina Procurement Manual** from the Division of Purchase and Contract. Those procedures are as stated:

When a vendor wants to protest a contract awarded by the Secretary of Administration valued over the State Agency's general delegation amount, the State Purchasing Officer (SPO) and the vendor shall comply with the following:

1. Vendor submits a written request for a protest meeting to the SPO within thirty (30) calendar days from the date of award. The vendor's request shall contain reasons why it has a concern with the award and any supporting documentation.

2. If a meeting is refused: Within ten (10) calendar days from the date of receipt, the SPO shall notify the vendor in writing that its protest met one of the following conditions:

   a. It was not timely.
   b. It did not contain required information.
   c. It was meritless, and a meeting would have served no purpose.

3. If a meeting is granted: The meeting must be scheduled within thirty (30) calendar days from receipt of the protest, unless mutually agreed.

4. Within ten (10) calendar days after the meeting, the SPO shall notify the vendor of the results of the protest meeting and the appeal rights under Article 3 of G.S. 150B.

5. If there is any further administrative or judicial review of the contract award, the SPO shall notify the Secretary in writing.

Protest Procedures			
Purchasing Entity	Award Amount	Awarded By	Protest Handled By
Agency, Community College, or Institution	General Delegation & Under	Agency, Community College, or Institution	Agency, Community College, or Institution
Agency, Community College, or Institution	General Delegation Amount	Purchase & Contract	Purchase & Contract

E. Protest Procedures (SITP)

This procedure provides overview instructions for the vendors, agencies, and Statewide IT Procurement (SITP) on processing award protest.

1. For protest meeting requests, the vendor must prepare a written request that includes specific reasons and any supporting documentation regarding the concern with the SITP award. The initial request must be submitted and received within fifteen (15) calendar days of the contract award

2. If the vendor still feels aggrieved following SITP's or agency's protest decision, the vendor may request an administrative hearing. If the vendor is not satisfied with the SITP/agency decision following the protest meeting, the vendor prepares and submits the administrative hearing request as stated above, and SITP procedure; Administrative Hearing Procedures.

F. Purchase of Items on State Contract

The State has established various contracts with vendors for many of the items required by the colleges on a day-to-day basis. Where there is a statewide term contract, the college must purchase from this contract unless they are exercising the Purchasing Flexibility Option outlined in paragraph G. Items on a statewide term contract may be ordered directly from the vendor subject to any restrictions on the specific statewide term contract. Although the purchasing delegation limits do **not** apply to purchases made from state contracts, certain state contracts do have a limit assigned to them. (Ex. Contract 204 A Computers, Delegation is $75,000.00.)

G. Purchasing Flexibility

The 1998 Session of the General Assembly enacted legislation (G.S. 115D-58.14) which allows the community colleges to purchase items that are on a statewide term contract from other (non-certified) sources, if the purchase price, including the cost of delivery, is less than the cost under the Statewide Term Contract. The colleges must comply with the following conditions:

1. The items are the same or **substantially similar** in quality, service, and performance as items available under State term contract.

2. The purchase price, including the cost of delivery, is **lower** than the state contract price.

3. The cost of the purchase shall not exceed the bid value benchmark established under G.S. 143-53.1; (The cost of the purchase does not exceed the college's authorized purchasing delegation as established under G.S. 143-53.1.)

4. The college must keep a detailed record of all purchases made from non-certified sources. The record will contain the following:
   a. A descriptive name of the item purchased;
   b. The purchase order number;
   c. The state term contract number for the item purchased;
   d. The cost of the item on the state term contract;
   e. The actual cost paid (including the cost of delivery but not the cost of taxes) for the item purchased from the non-certified source;
   f. Savings per unit;
   g. Number of units purchased; and,
   h. Total savings.

The colleges will submit an annual report of these purchases to the Director of Procurement & Auxiliary Services, Procurement & Auxiliary Services Section for the calendar year January 1 through December 31. The report must be received by February 1. The college must maintain a copy of this report and documentation pertaining to these purchases for a period of three years for compliance review by P&C.

Staff of the Procurement Services Section will review these annual reports and make an annual report to P&C.

H. Purchase of Non-Contract Items (Up to Delegation)

Good purchasing practices mandate that you seek competition for all purchases. Each college should establish its own written procedures for making small purchases where the **total order** (including tax and shipping) is for $25,000.00 or less. For these small purchases, telephone or informal quotes may be used to establish competitive prices. A written record of the telephone quotes should be kept in the file. For purchases of more than $25,000.00, but not over $50,000.00, users must seek written competition (RFQ), but are not required to advertise. It is recommended that a minimum of three written quotations be obtained. If three quotations cannot be obtained, it is recommended that users place a note in the file explaining the circumstances. P&C or DIT, for IT products, must handle all purchases of non-contract supplies and equipment that exceed the college's delegation. **Orders may not be split to avoid the competitive bid process.**

Effective September 1, 2013, IT Procurement 9NCAC 6A.0102 Definitions (#23); 9NCAC 6B.0301 Procurement Procedures:

1. "Small Purchase" definition changed to include information technology purchase transactions up to Purchasing Agency's general delegation of $25,000.00

2. Allows the procurement process to be managed by the agency

I. Purchase of Non-Contract Items (Over Delegation)

Requisitions to purchase non-contract items over your college delegation must be sent to P&C for procurement action. All bids are posted on the Interactive Purchasing System (IPS) or Ariba Sourcing Tool. Users must register for IPS or the Ariba Sourcing Tool to have the capability to enter the bid directly. All bids must be posted for a minimum of ten calendars days. When posting the solicitation, there is a new feature with the option to receive electronic bids. User must select how the bids will be received. They may be received either all electronic or all hardcopies. It is advised that the user also include which form bids will be accepted under special instructions when posting the solicitation to IPS or the Ariba Sourcing Tool.

The College will advertise the bids for goods over its delegation. After the competitive bids have been received through P&C, the bid package will be forwarded to the college for their review and recommendation for award. Upon receipt of the college's recommendation, P&C will review the recommendation and provide (certification) approval to award. **Orders may not be split to avoid the competitive bid process for orders exceeding your delegation.**

J. Purchase of Non-Contract Items, IT Related (Over Delegation)

Requisitions to purchase non-contract items, **IT related,** over your delegation may be sent to the Statewide IT Procurement Office via e-mail or NC E-Procurement for procurement action. The Statewide IT Procurement Office will review the request and solicitation document and provide the college approval to post the solicitation. All bids are posted on the Interactive Purchasing System (IPS). All bids are posted for ten calendar days. When posting the solicitation, there is a new feature with the option to receive electronic bids. User must select how the bids will be received. They may be received either all electronic or all hardcopies. It is advised that the user also include which form bids will be accepted under special instructions when posting the solicitation to IPS.

After competitive bids have been received by the college, the college must evaluate the bids and prepare a recommendation for award. Upon receipt of the college's recommendation, Statewide IT will review the recommendation for award along with a copy of the bids and provide an authorization (approval) to award. **Orders may not be split to avoid the competitive bid process for orders exceeding your delegation.**

K. Contractual Services (Including Consultant Services)

Under G.S. 115D-58.5(a), community colleges are governed by P&C in the purchasing of supplies, equipment, services, and materials per P&C North Carolina Procurement Manual, Section 3 – Procurement of Goods and Services.

L. Commodity Codes, Term Contracts, and other relevant information

P&C and ITS provide term contracts, commodity codes, and other purchasing information on their web sites (See Agency Contacts page).

M. Waiver of Competition: 01 NCAC 05B .1401 Review

Under certain conditions listed in 01 NCAC 05B .1401, and otherwise if deemed to be in the public interest by the SPO or the agency, if under its delegation or benchmark, competition may be waived. When seeking the waiver, the request must identify those specific facts or circumstances that support a waiver; simply repeating the language of the applicable category is not sufficient. Conditions permitting waiver include, but are not limited to, the following:

1. Cases where performance or price competition are not available;

2. Where a needed product or service is available from only one source of supply;

3. Where emergency action is indicated;

4. Where competition has been solicited but no satisfactory offers received;

5. Where standardization or compatibility is the overriding consideration;

6. Where a donation predicates the source of supply;

7. Where personal or particular professional services are required;

8. Where a particular medical product or service, or prosthetic appliance is needed;

9. Where a product or service is needed for the blind or severely disabled and there are overriding considerations for its use;

10. Where additional products or services are needed to complete an ongoing job or task;

11. Where products are bought for "over the counter" resale;

12. Where a particular product or service is desired for educational, training, experimental, developmental or research work;

13. Where equipment is already installed, connected and in service, and it is determined advantageous to purchase it;

14. Where items are subject to rapid price fluctuation or immediate acceptance;

15. Where there is evidence of resale price maintenance or other control of prices, lawful or unlawful, or collusion on the part of companies which thwarts normal competitive procedures;

16. Where the amount of the purchase is too small to justify soliciting competition or where a purchase is being made and a satisfactory price is available from a previous contract;

17. Where the requirement is for an authorized cooperative project with another governmental unit(s) or a charitable non-profit organization(s);

18. Where a used item(s) is available on short notice and subject to prior sale.

Although competition may be waived for proper cause, its use is required whenever practicable. When a waiver is contemplated, and the expenditure is less than their respective benchmark or delegation, agencies may negotiate with a potential vendor(s) in an effort to acquire the quality of commodity,

service or printing needed at the best possible price, delivery, terms and conditions. A solicitation document requesting or inviting an offer(s) shall be issued, including standard language, terms and conditions issued by P&C. Under an emergency or pressing need situation, a solicitation document requesting or inviting an offer(s) shall be issued by the agency, including standard language, terms and conditions issued by P&C, unless circumstances prohibit their use. Negotiations may also be conducted with a potential vendor(s) for contracts exceeding an agency's benchmark or delegation but are subject to the approval of P&C, except where otherwise permitted by rule.

If the dollar value of an agency contract exceeds ten thousand dollars ($10,000.00), but is less than the agency's delegation, and the agency contemplates waiver of competition, then **prior review** by the Division of Purchase & Contract is required, except where it qualifies as an emergency and time does not permit prior review. The agency shall submit their request for this review via a requisition (or in some other acceptable format), which shall include a **description of the requirement**, the **amount of the expenditure**, the **recommended vendor**, and the **justification for the waiver**; and shall provide any **additional documentation** and justification deemed necessary by the SPO for conducting a thorough review.

N. Exemptions: 01 NCAC 05B .1601

1. Except as provided in Paragraph (3) below, it is not mandatory for the items and services listed below to be purchased through P&C.

   a. purchase of liquor;

   b. perishable articles such as fresh meats;

   c. published books, manuscripts, subscriptions to printed material, packaged copyrighted software products, and like material;

   d. services provided by individuals by direct employment contracts with the State;

   e. public utility services (gas, water and electricity);

   f. telephone, telegraph and cable services furnished by those companies;

   g. services provided which are subject to published tariff rates as established by the North Carolina Utilities Commission;

   h. services which are merely incidental to the purchase of supplies, materials or equipment such as installation services;

   i. contracts for construction of and structural changes to public buildings;

   j. personal services provided by a professional individual (person) on a temporary or occasional basis, including (by way of illustration, not limitation) those provided by a doctor, dentist, attorney, architect, professional engineer, scientist or performer of the fine arts and similar professions; the exemption applies only if the individual is using his/her professional skills to perform a professional task; a personal service may also be a consulting service;

   k. services provided directly by an agency of the state, federal or local government, or their employees when performing the service as a part of their normal governmental function.

2. In addition to products and services exempted by Statute, the SPO may exempt other products and services from purchase through P&C provided that the SPO makes findings:

   a. that competition will not enhance the price that the State would receive for the product or service; and,

   b. that competition will not enhance the quality of the product or service that the State would receive.

3. That soliciting competition for bakery products and dairy products shall be handled by the agency in accordance with standard procurement guidelines, regardless of the dollar value of the proposed contract, but the contract will be awarded through P&C if over the agency's delegation.

O. Rentals or Leases, Lease-Purchase or Installment Purchases

1. Definitions

a. Lease or Rental Contracts

Contracts used to lease or rent items for a specific period with no intent to own the items or have a vested interest in the items at the end of the contract period. Both lease and rental have the same general meaning. (Rent is usually for a short-term while a lease is usually for a longer term.)

b. Lease-Purchase Contracts

Contracts used to lease or rent items for a specific period that includes or implies an option to purchase the item at the end of the contract period.

c. Installment-Purchase Contracts

Contracts used to purchase items over a specific period with title to the items going to the college at the end of the contract period.

2. Guidelines and Procedures

a. Lease or Rental Contracts

There is no reference in the General Statutes as to the procedures that community colleges should use to enter into lease or rental contracts. Given this lack of procedures, it is strongly recommended that each college establish its own written procedures for entering into lease or rental contracts and pattern those procedures after the same procedures for purchasing supplies, equipment, and materials. Community colleges do not have to seek the approval of P&C to enter into lease or rental contracts. Where P&C has a rental term contract, you are encouraged to use that contract.

b. Lease-Purchase and Installment-Purchase Contracts

Community Colleges, under G.S. 115D-58.15, are authorized to enter into lease-purchase and installment-purchase contracts. **As with any purchase of goods, you must follow the purchasing procedures described by P&C or ITS.** For installment purchases, it is recommended that you seek a separate contract for the financing in order to secure the best financing rate.

   i. If the contract is for $100,000.00 or less, or for three years or less, approval is not required from the State Board or your county commissioners.

ii.   If **state** funds are used and the contract exceeds $100,000.00 or three years, it must be approved by the State Board.

iii.   If **local** funds are used and the contract exceeds $100,000 or five years, it must be approved by your county commissioners in the form of a resolution. The commissioners must also acknowledge in writing that the college may require appropriations from them in order for the college to meet the obligations of the contract.

iv.   If **local** funds are used and the contract is for $500,000.00 or more, and for five years or more, it must be approved by both your county commissioners and the Department of State Treasurer, Local Government Commission.

v.   A college **shall not** have in effect at any one time more than five state-funded contracts which are permitted under this rule.

vi.   No contract may contain a non-substitution clause that restricts the right of the trustees to:

- Continue to provide a service or activity, or

- Replace or provide a substitute for any property financed or purchased by the contract.

c.   It is recommended that each contract contain a non-appropriations clause similar to the following:

No deficiency judgment may be rendered against the board of trustees, any tax-levying authority, the State Board of Community Colleges, or the State of North Carolina in any action for breach of a contractual obligation under this contract. The taxing power of the tax-levying authority and the State is not pledged directly or indirectly to secure any monies due under this contract.

Contracts that must be approved by the State Board need to be submitted to the Administrative and Facility Services Section by the 15th of the month preceding the next regularly scheduled State Board meeting. To avoid delay in the award of a contract, you may submit for approval, contracts that are part of the bid package and will be used for financing.

Submission of these contracts in a timely manner is strongly recommended. By law, the State Board must approve these contracts before the college can execute the contract.

When contracts are submitted, the System Office staff will review them for conformity with the legislation and present those contracts conforming with the law to the State Board for approval. An annual report will be made to the State Board on the state-funded contracts exceeding $100,000.00, or three-year terms, and the amount of state funds obligated for the next year.

Purchase of Vehicles

Administrative Use

In accordance with the provisions of G.S. 115D-32, local (non-state) funds shall be used for the purchase of automobiles, buses, trucks, and other motor vehicles **for administrative use**. These vehicles will be titled to the college's board of trustees, (e.g. The Board of Trustees of "Your College") and should be issued orange and black permanent tags and must be carried on the fixed assets inventory list. **They will not be insured by the state's fleet liability plan.**

Instructional Use

Vehicles to be used for instructional purposes, such as for Basic Law Enforcement Training (BLET), may be purchased from state equipment funds and must be carried on the fixed assets inventory list. Vehicles purchased with state funds are state owned and as such, **MUST BE TITLED TO THE "STATE BOARD OF COMMUNITY COLLEGES."** On the "mail to" part of the title you should list "State Board of Community Colleges - "Agency Code", but then put your community college's address so that DMV will mail all needed materials to you**. **Please show YOUR COUNTY on the application for title; not WAKE COUNTY (unless you are located in Wake County)**. (If you register the vehicle in Wake County, the vehicle will be subject to emission testing and local personal county taxes.) You should tell your local Division of Motor Vehicles (DMV) licensing agent that this is a state-owned vehicle and must have the yellow and black permanent tags. Many of the local DMV offices do not have the yellow plates and will have to order them from the Raleigh or Charlotte offices.

FOR YOUR INFORMATION: Incidental use of state-owned vehicles for administrative use is permitted e.g. BLET instructors using the vehicle to attend a BLET conference.

Vehicles that are donated to colleges, and are to be used for instructional purposes, may also be titled to the State Board, issued State tags, and carried under the State Liability plan.

**Please Note: In the past, the System Office would receive the title and registration card and at that time, the title would be held in the System Office files and the registration card would be forwarded to the college. *From this point further, DMV should forward the titles & the tags straight to the college. Please send the System Office a copy (mail, fax or scanned email document) of the title & registration & let the Purchasing Agent know your tag number for record keeping. In the event that DMV sends out the wrong colored plates (orange and black), please contact DMV at the main number (919) 715-7000. Please let them know that you have the power of attorney that allows you to make such requests to DMV. Please hold onto the wrong colored plates (orange and black) until you have received the corrected plates. If you turn in the wrong ones before you have received the correct-colored plates, DMV will make you start the whole process with the vehicle again.* If you fail to title a vehicle correctly the first time, the college may have to pay the 3.0% highway use tax a second time when the title is corrected.

The college should list all state-owned vehicles in the annual insurance survey conducted by the Department of Insurance. These vehicles will then be insured under the State's fleet liability policy and the college will be invoiced. The State's basic fleet liability insurance policy is only for liability insurance. If you wish to add collision and comprehensive insurance coverage, you should contact the insurance agent in writing with the vehicle information and start date of coverage. (See Agency Contacts page).

Donated Property

G.S. 115D -15 permits for the board of trustees to sell or lease real or personal property that has been donated to the college and to use the proceeds for educational purposes as specified by the donor. The procedures are as follows:

1. The State Board of Community Colleges (State Board) must approve the acquisition, by any means, of all real property.

2. Prior to a board of trustees accepting any donated personal property that has conditions as to how to use the proceeds from the sale or lease of the property, the college must submit to the Community College System Office, Procurement Services Section, a copy of the documents transferring the personal property.

3. The System Office staff will review the documents for compliance with the legislation and present those donations that meet the requirements of the legislation to the State Board for approval.

4. If approved by the State Board, the college may accept the donation of this personal property. If not approved by the State Board, the college cannot accept the donation of this personal property.

5. When a college intends to sell or lease any real property, regardless of whether it was donated or purchased, they must obtain State Board approval prior to disposing of the property.

6. The college shall follow the disposal methods authorized under Article 12 of Chapter 160A of the General Statutes to sell or lease any donated real or personal property that has conditions as to how to use the proceeds from the sale or lease of that property.

7. The college shall follow the disposal methods authorized under G.S. 115D-15(a) to sell or lease any real property that does not have conditions as to how to use the proceeds from the sale or lease of that property.

8. If a donation of real or personal property does not have any conditions as to how to use the proceeds from the sale or lease, the proceeds must be used for capital outlay purposes.

These statutes do not apply to donations made to a college's foundation and retained by the foundation. If the foundation subsequently transfers the donation to the college, the above procedures would have to be followed.

GLOSSARY

Abbreviation	Meaning
HUB	Historically Underutilized Business
IFB	Invitation for Bids
IT	Information Technology
P&C	Division of Purchase and Contract, Department of Administration
RFP	Request for Proposals
RFQ	Request for Quotes
SO	System Office
SPO	State Purchasing Officer
Secretary	Secretary of the Department of Administration

DEFINITIONS

AGENCY: NC Community College System Office

AGENCY SPECIFIC TERM CONTRACT: A term contract for use by a specific agency. Depending on the dollar value of the contract, it may be handled by P&C or the agency.

BEST VALUE PROCUREMENT: The terminology used in G.S. 143-135.9 to identify the method required for purchasing information technology commodities and services.

COMMODITY: Any equipment, materials, or supplies. Commodities are also referred to as goods and/or items in this manual.

COMPETITION: The fair and open solicitation of offers from more than one source; the receipt of offers from more than one source. Competition must be reasonable and adequate for the amount of the expenditure and the specific requirement.

CONSULTANT SERVICE: Work or task performed by State employees or independent contractors possessing specialized knowledge, experience, expertise and professional qualifications to investigate assigned problems or projects and to provide counsel, review, analysis or advice in formulating or implementing improvements in programs or services. This includes, but is not limited to, the organization, planning, directing, control, evaluation and operation of a program, agency, or department.

CONTRACTUAL SERVICE: When an independent contractor performs services requiring specialized knowledge, experience, expertise or similar capabilities for a State agency for compensation from agency funds. The services may include (by way of illustration, not limitation) services such as, maintenance of buildings or equipment, auditing, film production, employee training and food service, provided that the service is not primarily for review, analysis or advice in formulating or implementing improvements in programs or services (in which case rules relating to Consultant Contracts shall be applicable).

DELEGATIONS/Also Referred to as Benchmark: General Delegation: The authority granted by the SPO for an agency to handle purchases made under a certain dollar amount, in accordance with the guidelines in this manual.

EMERGENCY: A situation which endanger lives, property, or the continuation of a vital program and which can be rectified only by immediate on-the-spot purchase (or rental) of equipment, supplies, materials, printing, or contractual services *(also see Pressing Need).*

HISTORICALLY UNDERUTILIZED BUSINESS (HUB): A qualified HUB vendor is one that fifty-one percent of the business is owned by, and the day-to-day management and daily business operations are controlled by, one of the following: Black, Hispanic, Asian-American, American Indian, Female or a Socially and Economically Disadvantaged person, or Disabled-Owned or a Disabled Business Enterprise. As a result of Executive Order #150 and General Statutes 143-48 & 143-128.2(g)(1)(2)(3), the Historically Underutilized Business Program was established to encourage increased participation in the State's procurement process. Office for Historically Underutilized Businesses

INFORMATION TECHNOLOGY (IT): Electronic data processing goods and services and telecommunications goods and services, microprocessors, software, information processing, office systems, any services related to the foregoing, and consulting or other services for design or redesign of information technology supporting business processes.

INVITATION FOR BIDS (IFB): A formal solicitation document for commodities (goods only), usually in a standardized format/template and used for large quantities and dollar amounts. This document or the RFP is required to be used for competitive procurements $10,000.00 and up.

LEASE: A contract conveying from one to another the use of a commodity for a designated period of time in return for established periodic payments. A lease does not contain an option or an obligation to purchase.

LEASE-PURCHASE: A contract conveying from one to another use of a commodity for a designated period of time in return for established periodic payments, with an option or obligation to purchase the commodity. Used when outright ownership is uncertain or when it is the intent to delay ownership.

NEGOTIATION: The act of making a purchase when all offers have been rejected, or when there is justification for waiving the competitive process, or when an emergency or pressing need arises.

OFFER: This term may refer to a proposal, quote, or bid submitted in response to a Request for Proposals (RFP), Request for Quotations (RFQ), Invitation for Bids (IFB) or Negotiation.

OFFEROR: Company, corporation, firm, corporation, individual, partnership, etc. submitting a response to a solicitation document or in response to a negotiation.

OPEN MARKET CONTRACT: A contract for the purchase of a commodity or contractual service not covered by a term contract, usually for a definite quantity on a single order.

PERSONAL SERVICE: Services provided by a professional individual (person) on a temporary or occasional basis, including (by way of illustration, not limitation) those provided by a doctor, dentist, scientist, or performer of the fine arts and similar professions; the exemption applies only if the individual is using his/her professional skills to perform a professional task; a personal service may also be a consultant service, in which case consultant contracting procedures shall be followed.

PRESSING NEED: A need arising from unforeseen causes including, but not limited to, delay by contractors, delay in transportation, breakdown in machinery, or unanticipated volume of work, and which can be rectified only by immediate on-the-spot purchase (or rental) of equipment, supplies, materials, printing, or contractual services *(also see Emergency).*

PURCHASE: The solicitation of, and acceptance of, an offer to (1) provide a service, or (2) lease or rent a commodity, or (3) sell a commodity outright, or (4) sell a commodity through a lease purchase or installment purchase contract.

RENTAL: A contract for the right to use a commodity or product for a period of time, usually with payments made at intervals over the period of use, and normally providing for short notice of cancellation.

REQUEST FOR PROPOSALS (RFP): A formal solicitation document (or an IFB) is required to be used for competitive procurements of $50,000.00 or more. This document is normally used for larger, advertised competitive and non-competitive procurements for services, but may be used for commodities (goods) as well. It is an alternate acquisition method to the IFB.

REQUEST FOR QUOTES (RFQ: A solicitation document normally used for smaller, non-advertised, competitive procurements or waiver requests.

RESPONSIBLE OFFEROR: An offeror who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability to assure good-faith performance.

RESPONSIVE OFFEROR: An offeror who has submitted an offer which conforms in all material respects to the solicitation document.

SMALL PURCHASE: The purchase of an item, printing job, or contractual service for $25,000.00 or less.

SOLE SOURCE: When an item or service is available from only one known source of supply. This usually requires research to confirm and documentation for the file.

SOLICITATION DOCUMENT: A written Request for Quotation, Request for Proposals, or an Invitation for Bids.

STATEWIDE TERM CONTRACT: A term contract handled by P&C or IT Procurement for all agencies, unless exempted by statute, rule, or special term and condition specific to that contract.

TERM CONTRACT: A contract generally intended to cover all normal requirements for a commodity or contractual service for a specified period of time based on estimated quantities only. This is sometimes referred to as "requirements contract" or "indefinite quantity contract".

INVENTORY

SECTION B

Equipment Inventory Procedures

This section contains information about procedures to be followed in placing equipment items into the central inventory file. Questions about matters not specifically included should be directed to the Director, Procurement Services. It is the responsibility of each college to input data and make record changes at the local college. Instructions for this process are included in this section of the manual.

All records described in this section, as required for inventory purposes, are necessary to comply with standards established by the North Carolina Community College System Office, State Auditor's Office, and the Division of Purchase and Contract.

I.   PURCHASE ORDER

A.   Inventory Number - A separate and unique inventory number for each equipment item costing $5,000.00 or more, including accessories, purchased from state funds.

(A ledger of consecutive inventory numbers, listing corresponding purchase order numbers and dates, must be maintained and made available for audit purposes.) Items costing less than $5,000.00 which are subject to a high rate of theft, such as Computer's, tablets, laptops, digital cameras, projectors, firearms, TV's, etc., **may** be maintained on the inventory records with a Fund Source Code of "9." Freight and sales tax is included as part of the item cost.

B.   Asset Category - This is the code number corresponding to the area where equipment will be used. **Asset Category is listed in Section E.**

C.   Capital Expense Object Number - Refer to the NCCCS Accounting Procedures Manual for a description of these numbers.

D.   Commodity Code Number - Commodity Code numbers are necessary for the input of data into the fixed assets module.

E.   Any other information that enhances the description of the item, such as manufacturer name, model number, serial numbers, dimensions, color, etc., should be included on the purchase order for inclusion in the fixed asset module.

II.   EQUIPMENT TRADE-IN

Before a college can make a final decision to trade-in used property **purchased from state funds**, the State Surplus Property Agency (Surplus Property) should be contacted for guidance and approval.

If a college solicits competition for the purchase of a new item with a trade-in, the solicitation showing the allowance offered should be directed to Surplus Property. Prior approval by Surplus Property is required (See Agency Contacts page).

The inventory number(s) of items traded-in and the trade-in allowance must be shown on the purchase order issued for the new or replacement item.

Form NCCCS 4-11 (Request to Dispose of Capital Assets) should be prepared to remove items from the inventory. **Disposal Method** will be used to remove these items. (Please see important information on page 26 regarding the recording of trade–in allowance.)

III.   DONATED EQUIPMENT

Donated items of equipment which have a value of $5,000.00 or more must be assigned an inventory number and placed on inventory.

IV.   INVOICES

Invoices should be legible and contain description, purchase order number and invoice prices.

V.   INVENTORY OF EQUIPMENT ACQUIRED THROUGH LEASE-PURCHASE

Items acquired through a lease-purchase plan will be entered into the inventory records at the date of acquisition for the total amount the item would have cost if it had been purchased outright. Interest and finance charges will not be a part of the cost. Subsequent invoices for the same item will not be included in subsequent monthly reports. In order to balance with the DCC 2-12, adjustments will have to be made on the Form NCCCS 4-20 (Adjustments to Inventory Figures).

VI.   SALES TAX

Sales tax paid to the N.C. Department of Revenue shall be added to the cost of the applicable fixed asset inventory number.

VII.   FREIGHT AND INSTALLATION

Invoices should include charges for freight and/or installation of an item to be added to fixed assets items. These charges must be added to the cost of the applicable fixed asset inventory numbers.

VIII.   INVENTORY ADJUSTMENTS

It is sometimes necessary for equipment expenditure amounts to be adjusted in order to balance with the monthly Form DCC 2-12. Among the reasons is the miscoding of expenditures, monthly lease-purchase payments, items sold without inventory numbers, journal entries for items paid in the month's work, etc. **The form NCCCS 4-20 will be used to report these adjustments and must be filed with the applicable month's work.**

CAREER & TECHNICAL EDUCATION

The CAREER & TECHNICAL EDUCATION Act of 2006 provides federal funds that flow through the DCC 2-12. The expenditures will be shown on the DCC 2-12. This equipment should be added to the equipment inventory records as Federal (fund source 3, federal reimbursement code 12).

Record Entry, Change, or Disposal Procedures

ENTRY OF RECORDS

All Capitalized Assets (**total acquisition costs of $5,000.00 or more**) purchased totally or in part from State funds must be entered into the fixed asset inventory system, changed as necessary, and the record will be made inactive when final disposition is made. **Equipment with a total acquisition cost of less than $5,000.00 is considered Non-Capitalized Assets. Non-capitalized assets are not required, but are encouraged, to be entered into the fixed asset inventory system.**

Refer to the [NCCCS Accounting Procedures Manual](#) for further clarification:

A. <u>Local Equipment</u> - These are items purchased from local funds and are entered into the records in **Fund Source 0.** (0 = Institutional)

B. <u>State Equipment (Capitalized)</u> - These are items purchased from the State capital outlay fund and entered into the records in **Fund Source 1. (Total acquisition costs of $5,000.00 or more**)

C. <u>State/Other Equipment</u> - These are items bought with a mixture of state and other funds. These items must be carried on the State inventory with the State portion of funding recorded in **Fund Source 1** and the portion paid from other funds recorded in the appropriate Fund Source.

D. <u>County Equipment</u> - These are items purchased from local funds and are entered into the records in **Fund Source 2** (2 = County Funds).

E. <u>Federal Equipment</u> - These are items purchased totally from federal funds and are entered into the records in **Fund Source 3** (3 = Federal Funds).

F. <u>Donated Equipment</u> - These are items donated to the college. These items should be recorded into the inventory records with the fair market value shown as the cost in **Fund Source 6** (6 = Donations).

G. <u>Buildings & Infrastructure</u> – This includes buildings, land or infrastructure. These are entered into the records in **Fund Source 8**.

H. <u>State Equipment (Non-Capitalized</u>) – These are items purchased from State capital outlay fund and entered into the records in **Fund Source 9. (Total acquisition cost of less than $5,000.00).**

IMPORTANT INFORMATION: RECORDING TRADE-IN ALLOWANCE

For recording state funded purchases for which you have a trade-in allowance, you must show the total value of the piece of equipment. For example, if the total cost of the equipment is $5,000.00, and you pay $3,000.00 and have a $2,000.00 trade-in allowance, the item would be entered into the records reflecting $3,000.00 in Fund Source 1 and $2,000.00 in Fund Source 5 (State Non 2-12).

CHANGE TO RECORDS

Changes to existing inventory records are usually for the addition of information such as cost adjustment, manufacturer, serial number or location identifiers, change in location or asset category, etc. A change does not alter the basic description of an item nor delete the item from the active records. Changes are transactions that result in a better or more accurate description of an existing item. Cost adjustments are processed depending on the cost of the item:

♦   **Changes to Fixed Assets under $5,000.00**

ASST – Fixed Asset Maintenance

ACQM – Acquisition Information Maintenance

If the addition occurs in a different month, key the additional information into the second line of the Fund Source line. Once the information is keyed, the Acquisition Cost will reflect the addition.

- ♦ **Changes to Fixed Assets over $5,000.00 and not fully depreciated**

  FXCA and ASST/ACQM

Use the Fixed Assets Cost Adjustment (FXCA) form to change the acquisition cost. Typically, changes are needed when accessories are purchased for the asset.

Enter the additional cost to the fixed asset.

Enter the date that this cost adjustment will be posted to the general ledger.

ASST – Fixed Asset Maintenance

Once the adjustment has been added on the FXCA screen, a change is also needed on ASST/ACQM.

Detail into the Acquisition Info screen to add the additional amount.

ACQM – Acquisition Information Maintenance

Key the additional information into the second line of the Fund Source line. Once the information is keyed, the Acquisition Cost will reflect the addition.

DISPOSAL OF CAPITAL AND HIGH-RISK ASSETS

A. Form NCCCS 4-11 (Request to Dispose of Capital Assets) should be prepared when disposing of a capital or high-risk asset. The chief business officer, or approved designee should approve and sign the forms prior to disposing of any asset from the inventory record. It is recommended that a separate NCCCS 4-11 be prepared for each category of disposal e.g. sold, lost/stolen, cannibalized, etc. This will enable you to more readily account for each category at the fiscal year end.

B. Actions resulting in disposal are transfers, sale, cannibalization, loss/stolen, and trade-ins. See the Transfer and Disposal Section of this manual for an explanation of methods used to make disposal.

INVENTORY MAINTENANCE

This section of the manual is used to explain and demonstrate procedures to be used for entering, changing or disposing assets, as well as available forms and inventory maintenance options. **Please refer to the CIS Training documentation for detailed information.**

Click on the Colleague Icon and log into the system.
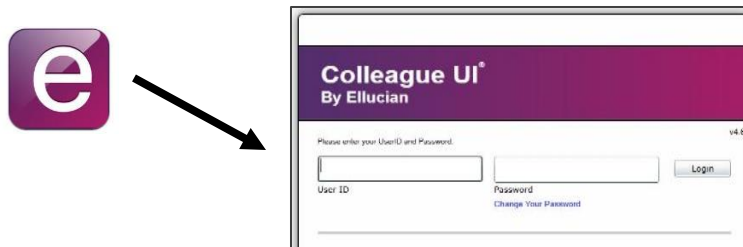
Double click on the Mnemonic ASST or enter "ASST" in the mnemonic field and click Search.
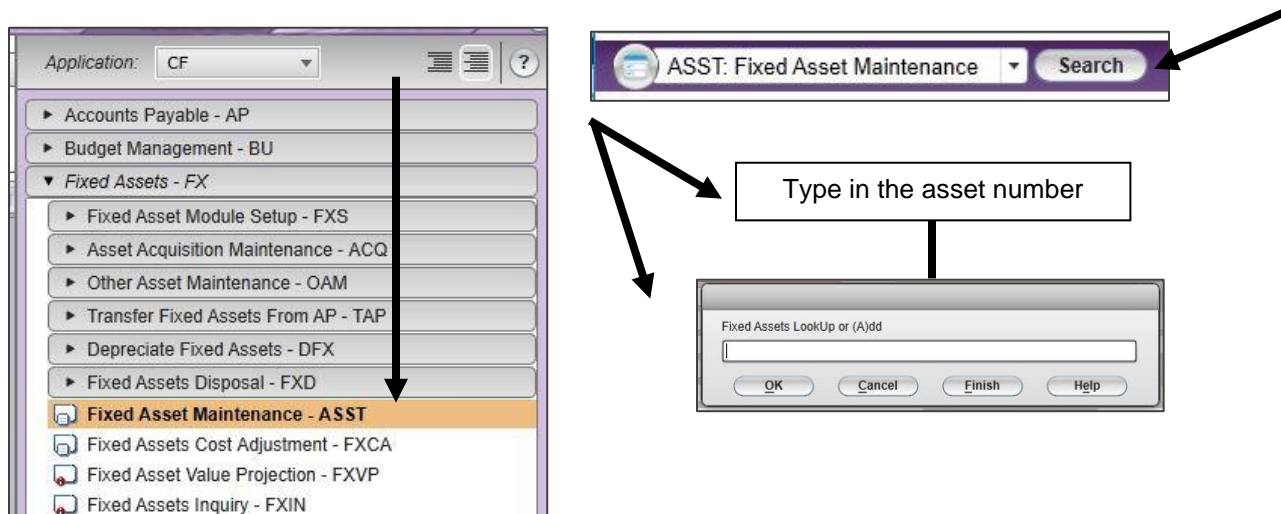
ASST displays the fixed asset screen. These are the screens used to add, change, update, or dispose of fixed assets from the inventory system.

Inventory screen with item costing less than $4,999.99

Field by Field Description

A question concerning a particular screen or field, the question mark icon provides helpful information.

Detail into ACQM.

Field by Field Description

ASST – Fixed Asset Maintenance

Capitalize: An entry of "Y" or "N" determines whether an asset is to be capitalized and depreciated. Y (Yes): The asset is to be capitalized and depreciated. If you enter "Y," you are then prompted for a general ledger account number. **Items costing over $5,000.00 must be capitalized.**

Asset Type: The asset type is a lookup field. These codes should be loaded in the file. The asset type should mirror the actual item. (Ex. - Equipment purchased with state funds would have an asset type of EQP, equipment purchased from county/local funds were have an asset type of EQPC.)

Asset Category: The asset category is a lookup field. Select the asset category that best defines type or location of the asset. Additional asset categories can be added by using ACCD (Asset Category Definition).

Description: Brief description of item (28 characters or less).

Building: Enter the building the item is physically located (Up to 4 characters).

Room: Enter the room number the item is physically located.

Location: Enter specific location of item. (Ex. - Located on top shelf in closet.)

This is an optional field.

Department: Enter the department in which the item is located.

(Ex. - Dental chair is in 4524, Dental Assisting.) This is an optional field.

Manufacturer: The company that manufactures the item.

Model: The model number of the item.

Serial Number: The serial number of the item.

Steward: Individual in charge of item. This is an optional field.

Acquisition Method: Enter the appropriate code to indicate the method in which the item was acquired. (PR – Purchase, DO – Donated, Etc.) **(See page 49)**

Acquisition Info: Enter the date the asset was acquired. Click the **Detail Arrow** to enter additional information for the asset on the **ACQM – Acquisition Information Maintenance** screen.

Field by Field Description (Continued)

ACQM – Acquisition Information Maintenance

Acquisition Date: The default date is automatically entered. You can accept the default or enter another date in MM/DD/YYYY format.

Fund Source: Enter the fund source the item was purchased from. (See Section: REVISED, TAP – Transfer Fixed Assets from AP (With the Tag Assets During Receiving field marked "Yes")

Amount: Enter the cost of the item. (The cost should include any taxes or shipping/freight charges associated with the item.)

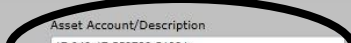**Date:** This field should match the Acquisition Date.

Action/Cost Change: Enter the appropriate action code for the item by clicking on the small arrow to the left of the field. New records should have a code of 1 – New. (See Section: REVISED, TAP – Transfer Fixed Assets from AP (With the Tag Assets During Receiving field marked "Yes")

Inventory Screens with Item Costing more than $5,000.00

⬭ = Represents Additional Information Needed.

Additional Fields for Items over $5,000.00

<u>ASST – Fixed Asset Maintenance</u>

Capitalize: Enter **Y** if this asset should be capitalized (greater than $5,000.00).

Asset Acct: Enter the GL account number associated with this asset or use the LookUp option to access the resolution screen.

<u>ACQM – Acquisition Information Maintenance</u>
(Refer to the Asset Policy with Useful Lives and Capitalization Limits)

Salvage Value: The salvage value amount is the estimated value of an asset at the end of its useful life. To prevent an asset from becoming fully depreciated, some colleges are entering a salvage value of anywhere from $5.00 to 5.0% of the acquisition cost of the asset. Use of a salvage value is optional and some colleges enter "0" for the salvage value amount.

Useful Life: Enter the expected useful life of the asset, in years.

Depreciation Method: Enter **SL** (Straight Line). Straight Line is the only method set up for use at this time.

Depreciation Expense Account: Enter the account number or use the LookUp option to access the resolution screen.

Asset Policy with Useful Lives and Capitalization Limits

Guidelines:

The following depreciation methods, capitalization limits, and useful lives are established for each major class of asset. Periodically, the estimated useful lives of depreciable capital assets should be re-evaluated for reasonableness. **An estimated useful life is not reasonable if the associated capital asset is near full depreciation but will remain in use significantly longer than originally estimated**. A change in the estimated useful life of a capital asset is considered a change in accounting estimate, which must be accounted for prospectively (i.e., the change is accounted for and reported in current and future periods).

Because depreciation is intended to allocate the cost of a capital asset over its entire useful life, it normally is not appropriate to report assets still in service as fully depreciated. However, because differences may occur between estimated useful lives used for depreciation computations and actual useful lives, colleges may, __in limited cases__, report capital assets that are fully depreciated, but only if such balances are **immaterial.** If the balances of fully depreciated capital assets that remain in use are material, the related estimated useful lives should be changed, and the beginning accumulated depreciation balances should be restated.

Land and Non-Depreciable Land Improvements

All land and non-depreciable land improvements will be capitalized, regardless of cost. Non-depreciable land improvements produce permanent benefits, primarily related to preparing land for its intended use.

Non-Depreciable Land Improvements:
- o   Excavation Costs
- o   Fill and Grading Costs

Infrastructure Assets

Long-lived capital assets that normally are stationary and normally can be preserved a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Depreciable land improvements are enhancements made to land, excluding the clearing and grading necessary to make the land suitable for use. Examples: fences and gates, seating/bleachers, parking lots, parking barriers, swimming pools, tennis courts, yard lighting, paths, septic tanks, fountains, retaining walls, athletic fields, golf courses, harvest crops, or similar improvements that rest in or on the land itself.

- ▪ Depreciation Method – straight-line; use of a salvage value is optional.
- ▪ Capitalization Threshold – $5,000.00
- ▪ Infrastructure Assets will be reported under "Capital Assets, net" on the Statement of Net Assets.

Useful Lives:

- o Roads – 75 years
- o Bridges – 75 years
- o Tunnels – 75 years
- o Drainage Systems – 75 years
- o Water and Sewer Systems – 75 years
- o Dams – 75 years
- o Lighting Systems (including supports and wiring) – 75 years
- o Fencing – 50 years
- o Landscaping – 50 years
- o Lighting – 50 years
- o Parking Lots – 50 years
- o Other Land Improvements – 50 years

Buildings and Improvements

Buildings are roofed structures used for permanent or temporary shelter of persons, animals, plants, or equipment. Buildings consist of two components: original construction and renovations. Original construction is the cost of the building and all the detailed components and services necessary to bring the building online. Renovations are those subsequent construction projects, other than repairs, that add value to the building, or extend its useful life, but do not add to the usable space of the structure. An addition includes projects undertaken after the original construction whenever those latter projects add additional square footage to the original building. Renovations and additions that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building should be capitalized. Construction in Progress is not depreciated.

- Depreciation Method – straight-line; use of a salvage value is optional.
- Useful life for all buildings, additions and renovations is 50 years
- **When a building is improved, the improvement must be capitalized as a separate asset from the original building and assigned its own useful life.**
- Report leasehold improvements (capitalizable improvements to leased buildings) in this category. Depreciate the leasehold improvement over the life of the improvement or the lease term, whichever is shorter.
- Capitalization Threshold – $5,000.00

Vehicles

- Depreciation Method – straight-line; use of a salvage value is optional.
- Capitalization Threshold – $5,000.00
- Useful Life – 15 years

Machinery, Equipment, and Furniture

- Depreciation Method – straight-line; use of a salvage value is optional.
- Capitalization Threshold – $5,000.00
- Include machinery, equipment and furniture in classrooms, shops, laboratories and offices.

Useful Lives:
- o Data Processing/Computer Equipment – 5 years
- o All Other Furniture and Equipment – 25 years

Library Materials

Books, journals, bound periodicals, microfilm, and other media purchased for and catalogued in libraries. The Office of the State Controller has directed all colleges to expense library books and other library materials in the year of acquisition.

Art, Literature and Artifacts

Individual artwork, museum pieces, rare books, historical treasures and other artifacts will be capitalized if they meet the capitalization threshold of $5,000.00. Inexhaustible items will not be depreciated. Exhaustible items whose useful lives are diminished by display, educational or research applications will be depreciated using the straight-line method with the half-year convention. Individual colleges will determine useful lives and salvage value based on the particular asset(s).

Intangible Assets

Assets that benefit the college through the special rights and privileges of their ownership as opposed to physical characteristics. Examples are patents, copyrights, leases licenses and right of way easements.

Computer Software

Agreements to use software that expire each year and are renewed on an annual basis should be expensed and not capitalized. Generally, all software should be expensed and not capitalized for financial reporting.

However, NACUBO Advisory report 1999-7 became effective 7/1/99 (not retroactively) adopting AICPA SOP 98-1, which requires the capitalization of the costs of developing or purchasing computer software for internal use. The Office of State Controller further qualifies that requirement to capitalize only that software significant to separately issued financial statements. Capitalize only direct costs of materials and services, payroll and payroll-related costs, and interest costs incurred during development. Upgrades and enhancements should be capitalized only to the extent that they increase the functionality of the product. Costs related to the preliminary project stage, training, and data conversion should be expensed as incurred.

- ▪ Depreciation Method – straight-line; use of a salvage value is optional.
- ▪ Capitalization Threshold – $5,000.00
- ▪ Useful Life should be determined by the expected functionality of the software.

Trademarks and Patents

Useful lives will be based on type of intangible asset or life of related contract.

TAP – Transfer Fixed Assets from AP

A second option for adding new items to inventory each month is using TAP – Transfer Fixed Assets from AP. For this process to work, users must flag an item as a Fixed Asset. Flagging an item as a fixed asset may be accomplished on anyone of the following screens: REQM – Requisition Maintenance, POEM – Purchase Order Maintenance, or VOUM – Voucher Maintenance.
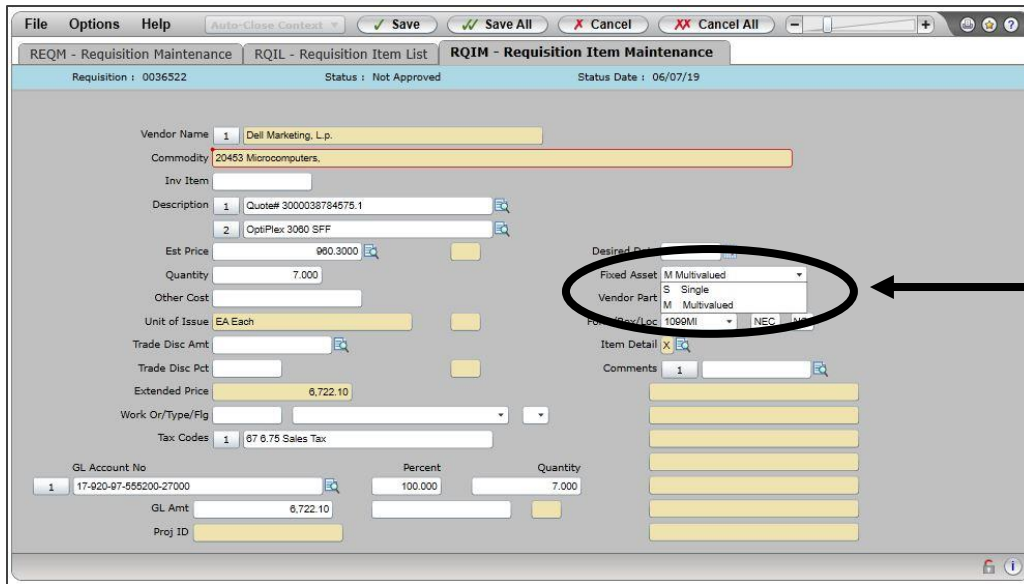
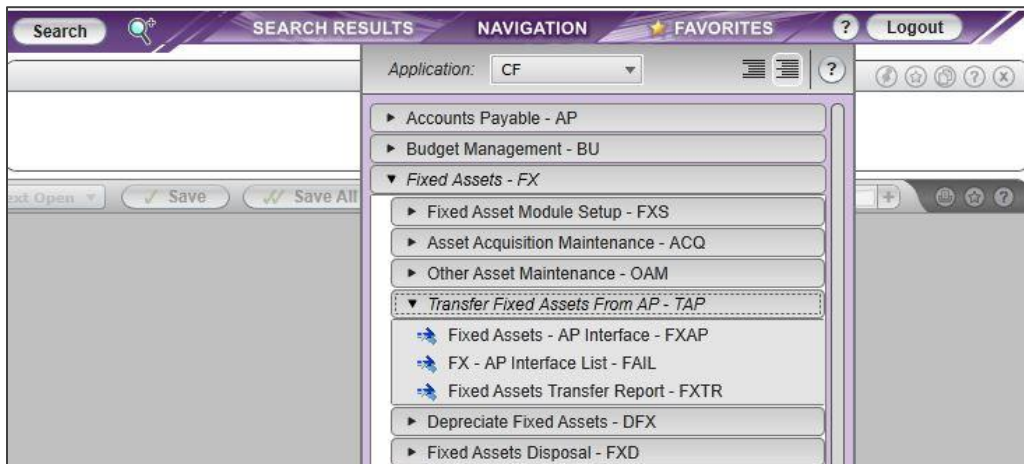Users have the option to choose Single or Mulitvalued.

Single = One item being ordered to be placed on inventory.

Multivalued = More than one item being ordered and all the items to be placed on inventory.
(Ex. 25 computers)

**** The TAP process should be done immediately after each check run. ****

The mnemonics must be processed in the following order.

1. FXTR
2. FXAP
3. FAIL

FXTR – Fixed Asset Transfer Report

FXTR will show the items that were flagged and vouchered for a particular month or a check run.

The report will show the flagged items with voucher#, voucher date, vendor, PO# and the flag status of single or multivalued.

FXAP – Fixed Assets – AP Interface

The System requires the user to create a Batch ID and Batch Description. The ID and description may be anything they wish.

Ex. Batch ID = "022819"
The number represents the current date the batch is created.

Batch Description = "Feb Transfer".

The report identifies that one batch has been created with the number.

1 batch has been created.

The first one is 022819_1.

Use FAIL to make fixed assets out of the line item

FAIL – AP Interface List
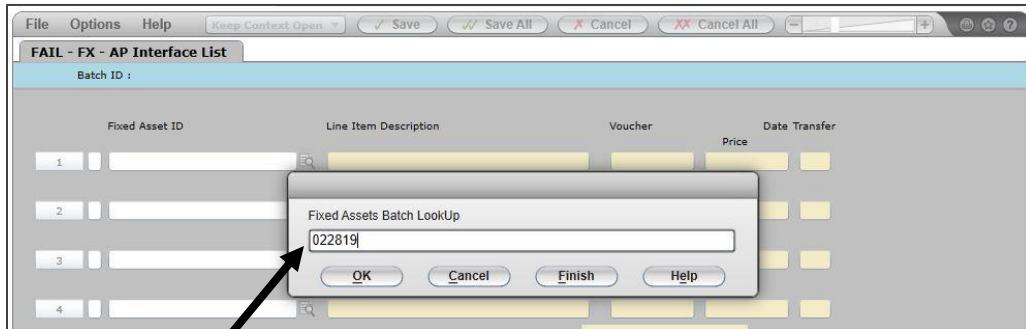
Use the FAIL screen to transfer line item information from vouchers created in the Accounts Payable module to the Fixed Assets module.

Fixed Assets Batch LookUp – Enter the code for a fixed assets batch, or use a LookUp option to access the resolution screen.
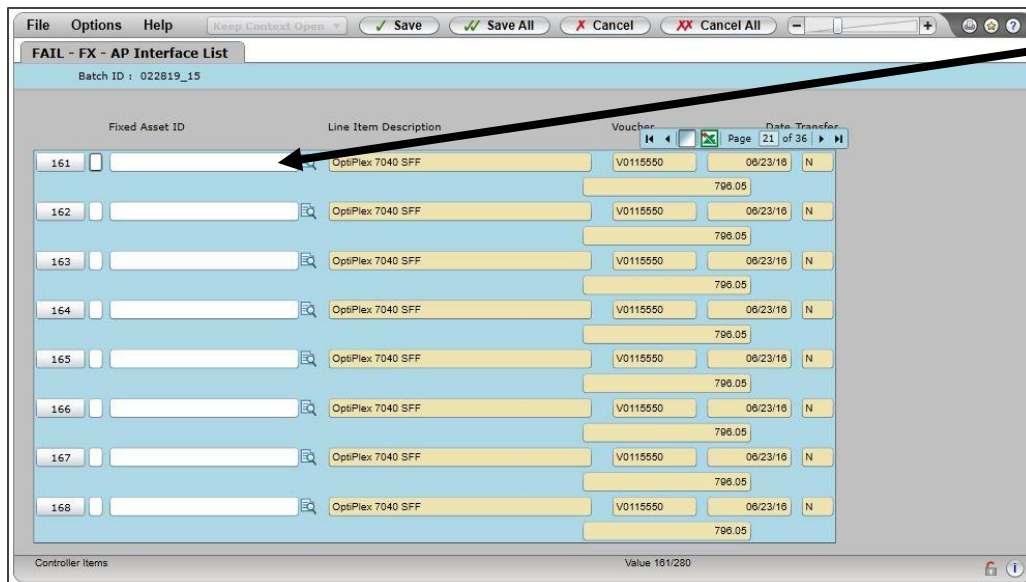
Fixed Asset ID - Enter the Fixed Asset ID in the fixed asset ID field to add a new fixed asset ID number.

The **ASST – Fixed Asset Maintenance** screen appears with the cursor in the **Capitalize** field.

From here, users should fill in the appropriate fields. Once this is complete,
Click **Save**.
The **Update/Cancel/Return** dialog box appears
Click **Update**.
The **FAIL Batch ID** screen appears

Fixed Assets Tagging List (FXTL) screen

Use the Fixed Assets Tagging List (FXTL) form to view a list of purchase order line items that can be tagged. Line item tagging information can be modified before the items are transferred to the Fixed Assets module.

The Fixed Assets flag can be "S" for a single asset or "M" for multiple assets. If the flag is "S," you can only enter information for one tag, regardless of the quantity accepted. If the flag is "M," you can enter as many tags as the quantity accepted. These values are assigned when a purchase order is created.

If the Purchase Order contains more than one item that can be displayed on this form, each item is displayed on one line, and the Purchase Order Number is repeated. The list of Purchase Orders is sorted by descending purchase order date.
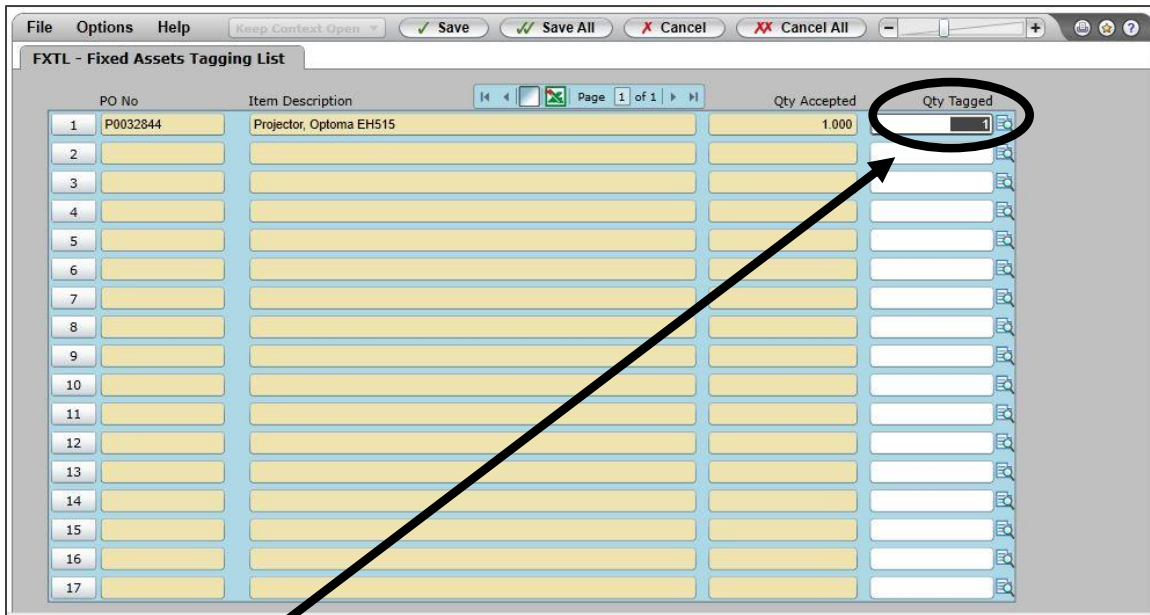
QTY Tagged

Displays the number of items tagged and allows you to detail to the Fixed Assets Tagging (FXTG) form to edit the item tagging information.

Fixed Assets Tagging (FXTG) Screen

Use the Fixed Assets Tagging (FXTG) form to maintain the tagging information for accepted merchandise.

This form allows you to maintain the tagging information for accepted merchandise before the items are transferred using the Transfer Fixed Assets from AP (TAP) process.

After a unique property tag has been entered on this form, the manufacturer, model number, and steward automatically default on this form if they have been entered on the previous tag.

You can select to have all of the previous tagging information default on this form by entering "Yes" in the Default Previous Values field. The information can only default if the values exist for the fields on the previous tag.

The property tag and serial number never default.

Information entered on the FXTG form is transferred to the Fixed Assets module when the line item is transferred.

Click on the arrows to move through the tagged items.

Note: If you make any changes on the FXTG form and cancel from the form, the information on the FXTG form is not saved.

⭐ *Default Tag Info from Previous Tag* ⭐

Enter **Yes** if you want all previously entered information to default.

If you enter "Yes," all existing fixed asset tagging information is displayed on this form.

If you enter "No," the manufacturer, model number, and steward default from the previous tag if a value exists in the previous tag.

The property tag and serial number never default.

Property Tag

Enter the property tag associated with this asset. If this property tag has already been assigned to another item, an Asset ID, or is a property tag for an existing fixed asset, you receive an error.

The property tag field allows up to 18 characters of text, including spaces. If you enter the property tag in lower case, it is converted to uppercase.

If the previous tag contains a manufacturer, a model number, and steward, these fields default when entering the new property tag. If you change a property tag, and the previous property tag contains a manufacturer, a model number, or a steward, these fields default when entering the property tag if their respective fields are empty. If previous values exist, those fields are not overwritten.

This field is required.

Fixed Assets Tag Unaccept (FXTU) Screen

Use this form to remove tagging information for an item unit that is being returned. An item that is marked as a single fixed asset can only have one property tag regardless of the quantity accepted, while an item marked as multivalued can have as many property tags as the quantity accepted.

When a quantity is entered and tagging information exists, the PO Accepted Item Adjustment (POAL) process determines whether the number of property tags in the line item is greater than the resulting accepted quantity. If the quantity is greater than the accepted quantity, the FXTU form is displayed to remove the property tags. You cannot have tagging information for more items than have been accepted.

Remove

Enter **Yes** to remove the tagging information for the line item. Enter **No** or leave this field blank if you do not want to remove the tagging information for the line item.

Modified Colleague Form

The Fixed Assets Tagging and Maintenance software release includes one field added to the PU Parameters Definition (PUPD) form — the Tag Assets During Receiving field.

New Field on the PUPD Form

There is one new field on the PUPD form. For addition information on the fields on the PUPD form, see online help

Tag Assets During Receiving

Set this field to "Yes" if you want to allow fixed asset tagging information can be entered when the fixed asset line item is received and before the line item is transferred to the Fixed Assets module.

Set this field to "No" if you do not want to allow fixed asset tagging information to be entered when the fixed asset line item is received and before the line item is transferred to the Fixed Assets module.

The default for this field is "No."

Modified Colleague Forms

FX-AP Interface List (FAIL) Form

The FX-AP Interface List (FAIL) process was modified to allow previously entered tagging information to default if the information has already been defined. You can enter or modify the fixed asset ID on this form.

Also, the previously entered information will default on the Fixed Assets Maintenance (ASST) form when the asset is created.

The Purchase Order Receiving (PORC) Form

The Purchase Order Receiving (PORC) process was modified to allow you to use the Fixed Assets Tagging List (FXTL) form when you update from the PORC form.

You can access the FXTL process if the Tag Assets During Receiving field on the PU Parameters Definition (PUPD) form set to "Yes" and you have accepted at least one fixed asset line item.

The PO Accepted Item Adjustment (POAL) Form

The PO Accepted Item Adjustment (POAL) process was modified to allow you to use the Quantity Accepted field to detail to the Fixed Assets Tag Unaccept (FXTU) form. At least one fixed asset line item must be accepted to use the FXTU form.

TAP – Transfer Fixed Assets from AP

(With the Tag Assets During Receiving field marked "Yes")

If "yes" is set in the field to allow fixed asset tagging information to be entered when the fixed asset line item is received and before the line item is transferred to the Fixed Assets module, the TAP procedures will change. Below are the revised procedures:

Equipment Items will continue to be flagged on the RQIM, POIM, or VOUD screens

Users have the option to choose Single or Multivalued.

Single = One item being ordered to be placed on inventory.

Multivalued = More than one item being ordered and all the items to be placed on inventory.
(Ex. 25 computers)

Inventory Maintenance:
Action; Method; Fund Sources

Reasons for action / cost changes

1. New
2. Sales Tax
3. Freight
4. Installation
5. Accessories
6. Other

Acquisition Methods

PR - Purchase
LP - Lease/Purchase
LR - Lease/Rental
TR - Transfer
DO - Donated

Fund Sources

0 - Equipment purchased with **institutional** funds
1 - **Capitalized** Equipment purchased with **state** funds
2 - Equipment purchased with **county** funds
3 - Equipment purchased with **federal** funds
5 - Equipment purchased with **state** funds
    <u>(not reflected in current month's work)</u>
6 - Equipment **donated**
8   Buildings & Infrastructure
9 - **Non-Capitalized** equipment – Equipment with a **cost value < $5,000.00**

Disposal Methods

CB - Cannibalized
LS - Lost/Stolen
SD - Sold
TI - Trade-in
TR - Transferred

Important Notes regarding Fund Source:

<u>Fund Source "1":</u> used when the cost amount is being reflected on the current month's state 2-12 work and is over $5,000.00.

<u>Fund Source "5":</u> used when the cost amount is included in a previous month's 2-12 work. (example: Correcting a price problem that occurred several months ago, or when placing an item back on the inventory after being removed for some reason).

Printing Reports

XIER – Equipment Report allows users to print a multitude of reports. Users have the option to print six different report styles: Fund Source, Department, Building, Asset Category, Commodity Code, and Fixed Asset ID.

Run the XIER by a specific date period to generate a report of items added to the inventory records during that specific date range.

<u>This report should be printed at the end of each fiscal year using start date, 07/01/xx with the ending date 06/30/xx. This will show additions for the fiscal year and can be used in reconciling your fixed assets.</u>

To show all active equipment **(that has not been disposed)** "Y" should always be populated in the field.

Run the XIER by Fund Source to generate a report that shows the entire inventory in numerical sequence, the cost of each item and by the source of funds it was purchased with. It also shows the total value of each fund source and total number of items on your inventory records.

This report must be printed at the end of each fiscal year using only an Acquisition End date of 06/30/xx and forwarded to the System Office no later than August 1st.

```
================================================================================================
Jun 09 2019                              Equipment Fund Source Report                    Page:  44
================================================================================================

Asset ID   Description      Fund Src 0    Fund Src 1    Fund Src 2    Fund Src 3    Fund Src 4    Fund Src 6    Fund Src 9         Cost
--------   ------------     ----------    ----------    ----------    ----------    ----------    ----------    ----------    ----------
108300     Computer, Deskt      0.00          0.00          0.00          0.00          0.00          0.00       1137.77       1137.77
108301     Computer, Deskt      0.00          0.00          0.00          0.00          0.00          0.00       1137.77       1137.77
108302     Computer, Deskt      0.00          0.00          0.00          0.00          0.00          0.00       1137.77       1137.77
108303     Computer, Deskt      0.00          0.00          0.00          0.00          0.00          0.00       1137.77       1137.77
108304     Computer, Deskt      0.00          0.00          0.00          0.00          0.00          0.00       1137.77       1137.77
108305     Computer, Deskt      0.00          0.00          0.00          0.00          0.00          0.00       1137.77       1137.77
108306     Computer, Deskt      0.00          0.00          0.00          0.00          0.00          0.00       1137.77       1137.77
108307     Computer, Deskt      0.00          0.00          0.00          0.00          0.00          0.00       1137.77       1137.77
108308     Computer, Deskt      0.00          0.00          0.00          0.00          0.00          0.00       1137.83       1137.83
108309     Carryall, Elect   7927.38          0.00          0.00          0.00          0.00          0.00          0.00       7927.38
108310     Carryall, Elect   7927.39          0.00          0.00          0.00          0.00          0.00          0.00       7927.39
108311     Projector, Powe      0.00          0.00          0.00          0.00          0.00          0.00       1066.43       1066.43
108312     Computer, Lapto      0.00          0.00          0.00          0.00          0.00          0.00        986.01        986.01
108313     Computer, Table      0.00          0.00          0.00       1283.08          0.00          0.00          0.00       1283.08
108314     Computer, Table      0.00          0.00          0.00       1283.08          0.00          0.00          0.00       1283.08
108315     Welder, Power W       0.00       7467.16          0.00          0.00          0.00          0.00          0.00       7467.16
108316     Computer, Lapto      0.00          0.00          0.00          0.00          0.00          0.00       1031.02       1031.02
108317     Computer, Lapto      0.00          0.00          0.00          0.00          0.00          0.00       1031.02       1031.02
108318     Computer, Lapto      0.00          0.00          0.00          0.00          0.00          0.00       1031.02       1031.02
108319     Computer, Lapto      0.00          0.00          0.00          0.00          0.00          0.00       1031.03       1031.03
108320     Public Address       0.00          0.00          0.00          0.00          0.00          0.00       1582.20       1582.20
108321     Unity Storage,       0.00      97021.41          0.00          0.00          0.00          0.00          0.00      97021.41
108322     Welder, Multipr    810.02          0.00          0.00          0.00          0.00          0.00          0.00        810.02
108323     82" Led Samsung      0.00          0.00          0.00          0.00          0.00          0.00       2962.46       2962.46
108324     Newborn Simulat      0.00          0.00          0.00      30864.06          0.00          0.00          0.00      30864.06
108327     Video Conferenc      0.00          0.00          0.00          0.00          0.00          0.00       2486.93       2486.93
```

Totals by Fund Source 1344963.66   5178481.61   840268.18   191694.19   0.00   663713.98   2774098.68   37594093.96

```
================================================================================================
Jun 09 2019                              Equipment Fund Source Report                    Page:  45
================================================================================================

Asset ID   Description      Fund Src 0    Fund Src 1    Fund Src 2    Fund Src 3    Fund Src 4    Fund Src 6    Fund Src 9         Cost
--------   ------------     ----------    ----------    ----------    ----------    ----------    ----------    ----------    ----------

TOTAL ITEMS FUND SOURCE 1 & 5              181

TOTAL ITEMS FUND SOURCE 2                   72

TOTAL ITEMS FUND SOURCE 3                   40

TOTAL ITEMS FUND SOURCE 4                    0

TOTAL ITEMS FUND SOURCE 6                    9
```

TOTAL NUMBER OF ITEMS   2306   **Total number of items on your inventory records.**

Monthly Transaction Process

Once all the equipment purchased has been entered and AP has processed all checks for the month, the following process must be completed:

XIHR – Equipment History Report (Monthly Audit) - The system will run a report that compares monthly equipment transactions (data you have entered) to the equipment expenditures on the DCC 2-12 (G/L Summary File). The operator is prompted to enter the following information:

- ➢ The current start and end dates for the month (MM/DD/YY).
- ➢ Enter 1 for Fund Source.
- ➢ Items sold without bid # - (Dollar amount for money receipted for items sold that had no inventory number.)
- ➢ J/E to state 112 (212) Equip Lines – (Amount that applies to the current month's 112 work, but not reflected on the month's equipment transactions. ****Helpful hint**** Minus ("-") the amount if you have entered the item, and/or Plus ("+") the amount if an expenditure was coded from the wrong account. (e.g. paid from capitalized GL code, but should have been non-capitalized GL code). Do not key a dollar sign, comma or decimal, (i.e. $1,000.00 should be keyed 100000)
- ➢ Any miscellaneous Equipment Inventory Adjustments.

NOTE: THIS PROCESS MUST BE DONE MONTHLY AND ALL (Reports 1, 2 & 3) COPIES MAINTAINED IN THE COLLEGE FILES FOR AUDIT PURPOSES.

NOTE: As of June 30, 2020, this report will no longer be submitted to the System Office. It shall be the responsibility of the college staff (Equipment Coordinator or other person assigned the duty) for the timely completion and reconciliation/balancing of each month's fixed asset expenditures. Reports should still be completed by the 15th of each month.

If a college has a problem with balancing, staff should call the System Office for assistance in determining the issue and resolution.

XIHR produces Three Reports.

Report 1 – General Ledger Expenditures for Month

- ❖ Data contains the funds expensed during the month for a particular fund source; i.e. State greater than $5,000.00 (1), County (2) or Institutional (0).

Report 2 – Equipment placed into Inventory

- ❖ Data contains the assets that were entered into the inventory system (ASST mnemonic) during the month.

Report 3 – Summary of Equipment and GL Totals

Please Note: The Equipment and G/L Summary Totals must match as shown above. If they do not, the user must research to find the discrepancy

Problem Solving for Monthly Audits

In certain scenarios, the G/L Summary amount may be less than the Equipment Totals. If this occurs, the first area to research is the **XIEP** screen. **XIEP – Equipment Parameters** determines the equipment to populate on reports by the Asset Types selected and what general ledger codes to populate for the monthly audit report. The FTP parameters for transmitting the year end file to the System Office can be maintained on the SFTP and XSFTP screens.

- Verify that the actual amount that was recorded on the GL is the same amount recorded for the asset. Make sure that tax, shipping costs, or any accessories are included in the cost of the asset.
- Make sure that the voucher date and acquisition date are the same.
- If the expense is not recorded on the GL Summary page, double check XIEP and verify that the object code is listed.

Asset Types:
- Make sure that all the asset types are included
- You can do an ellipsis … to see what asset types are available to select

Object Codes:
- Make sure that all of the object codes for equipment are selected

➢ **Note:** The Monthly Audit can be run more than once, after the month is balanced and for any month. Example - The operator may run a July report in May.

Monthly Audit Report for Fund Source 9:

Equipment purchases that are less than $5,000.00, using State funds and are considered high risk assets and will be classified as FS9. When entering the asset into the inventory system, the Fund Source field will default to "9" when it is less than $5,000.00.

- Run the XIHR for FS9

- Report 1 – General Ledger Expenditures for the month will be blank. There is not a GL code associated with a FS9 asset type.

```
=====================================================================================================
Mar 25 2019                              Equipment Audit Report                              Page:    1
                              G/L-Summary Report for 10/01/18 to 10/31/18
=====================================================================================================

Summary Account            Vouchers Cash - Rcpts     Jrnl-Ent  CR-Vouchers R-Cash-Rcpts CR-Jrnl-Ent  Acct Total
-----------------------  ------------- -----------  ------------ ------------ ------------ ----------- ------------

                                                                                                      0.00
```

- Report 2 – Equipment placed into Inventory – Shows the list of high risk equipment purchased with State funds that were added to the inventory system for a specific month

```
=====================================================================================================
Mar 25 2019                              Equipment Audit Report                              Page:    1
=====================================================================================================

Item          Action 1              Action 2              Action 3&4            Action 8              Action 9
------        --------------------  --------------------  --------------------  --------------------  --------------------
108316        1031.02               0.00                  0.00                  0.00                  0.00
108317        1031.02               0.00                  0.00                  0.00                  0.00
108318        1031.02               0.00                  0.00                  0.00                  0.00
108319        1031.03               0.00                  0.00                  0.00                  0.00

              4124.09               0.00                  0.00                  0.00                  0.00
```

- Report 3 – Summary of Equipment and GL Totals – The report is out of balance because nothing is showing up on the GL Summary Report

```
=====================================================================================================
Mar 25 2019                       GL/Equipment History Summary Report                        Page: 1
=====================================================================================================

Items sold without bid #                    0.00
J/E to state 112 Equip Lines                0.00
Misc Equipment Inventory Adj                0.00
Total Federal Fund Source Amt            2566.16
Totals for action codes 1 and 2          4124.09
Totals for action codes 3 4 8 9             0.00

Equipment Total                          4124.09


G/L Summary Total                           0.00
```

Miscellaneous Adjustment for FS9 Report:

- Enter the total amount of assets as a negative number in the Misc. Adjustment field on the XIHR screen and proceed as referenced above.

- The GL Summary Report will still be blank (same as above)

- The Equipment Audit Report will still list the assets (same as above)

- The GL/Equipment History Summary Report will now be in balance. The report balances back to the GL. By entering a negative number in the misc. adjustment field, the equipment is now at $0.00 which agrees with the GL for FS9.

TRANSFER & DISPOSAL

SECTION C

Equipment Transfer and Disposal Procedures

This section contains procedures on how to transfer equipment to other governmental entities, community colleges and public schools; sell and trade-in items; and how to dispose of items from fixed asset inventory when they are lost or stolen, cannibalized, or require other disposition.

The following mnemonics must be done in the order they appear to properly dispose of equipment. (Please refer to original training manuals for further details.)

1- **FXDM - Fixed Asset Disposal Maintenance – there are two ways to get to FXDM**

   ❖ Enter FXDM in the mnemonic field, then enter the asset inventory number into the **Fixed Asset Lookup Box**

❖ Or, enter ASST in the mnemonic field, enter the asset inventory number into the **Fixed Asset Lookup Box**, then click next to "Disposal Info"
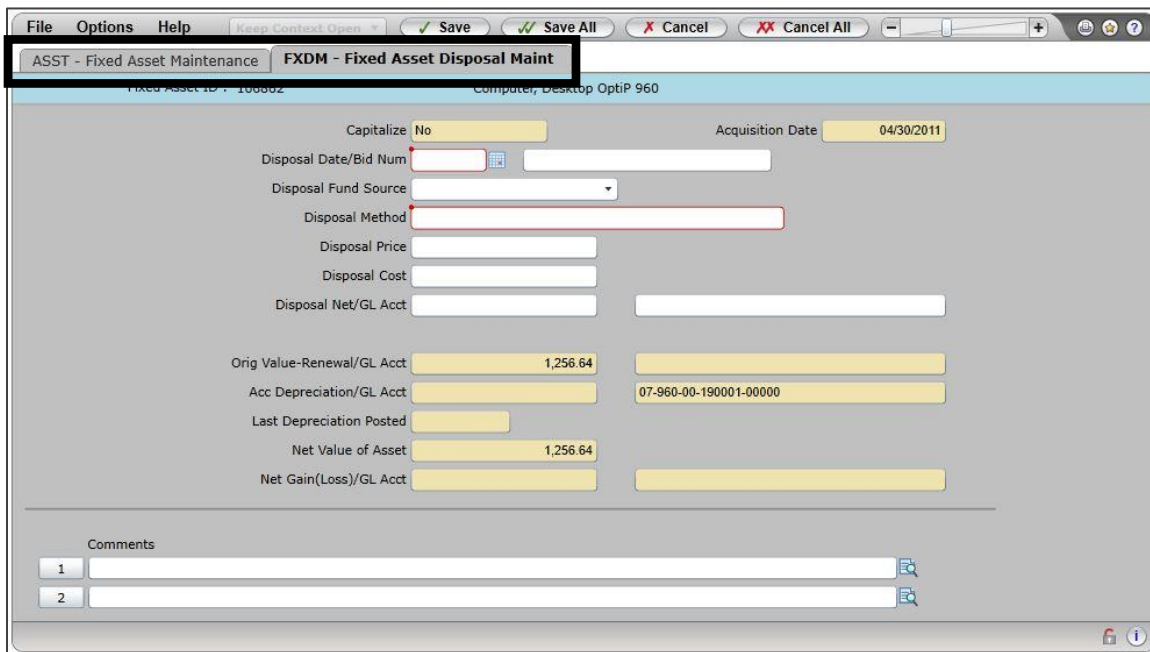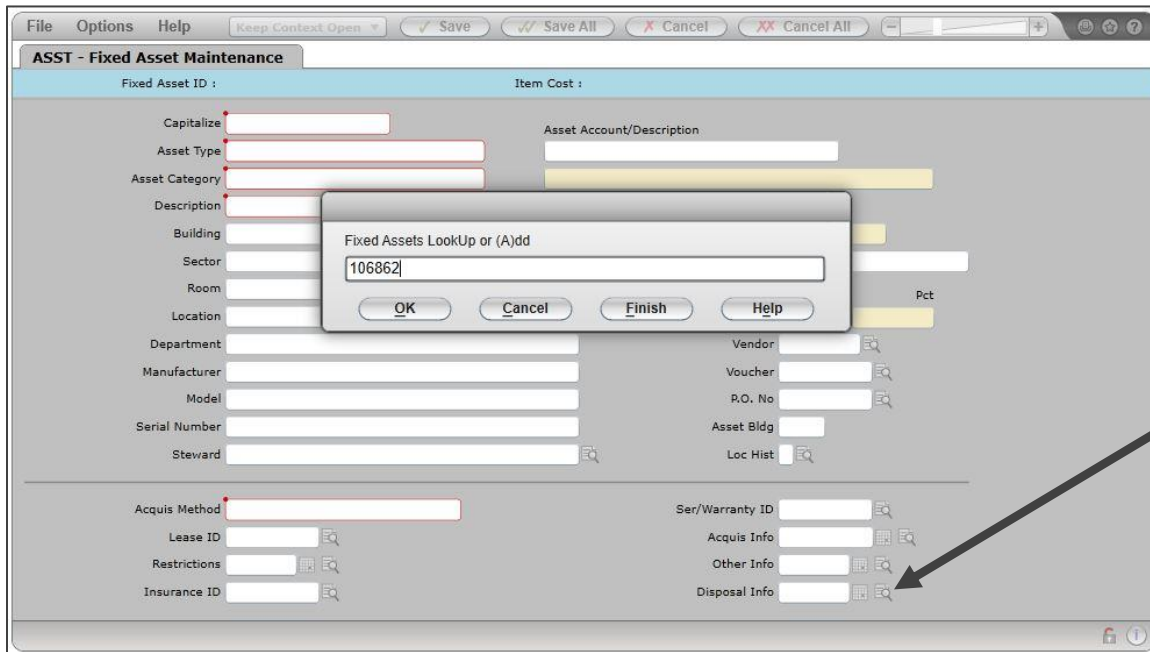
➢ The **FXDM** screen appears with the **Asset ID** number in the header, the **Acquisition Date** entered, and the cursor in the **Disposal Date** field.

The following fields are required for items to be disposed of properly.

➢ **Disposal Date/Bid Number** – Enter the date of disposal and/or the bid number.
➢ **Disposal Fund Source** – Enter the appropriate fund source (should be the same Fund Source used to purchase item.)
➢ **Disposal Method** – Enter the **Disposal Method Code** or use a Lookup option to access the resolution screen.

The following fields are only used when the Disposal Method is sold or trade-in.

➢ **Disposal Price** – Enter the price received at disposal (such as trade-in or sale price)
➢ **Disposal Cost** – Enter any cost associated with disposing the asset, Ex. State Surplus fee.

Transaction Date is the only required field. User must run this report without any errors (status of "Ready") before they can complete the Disposed of Assets Post (DFXP) screen.

The DFXP screen posts the information contained in the most recent error-free report.

DFXR - Disposed of Assets Reports

3- DFXP - Disposed of Assets Post
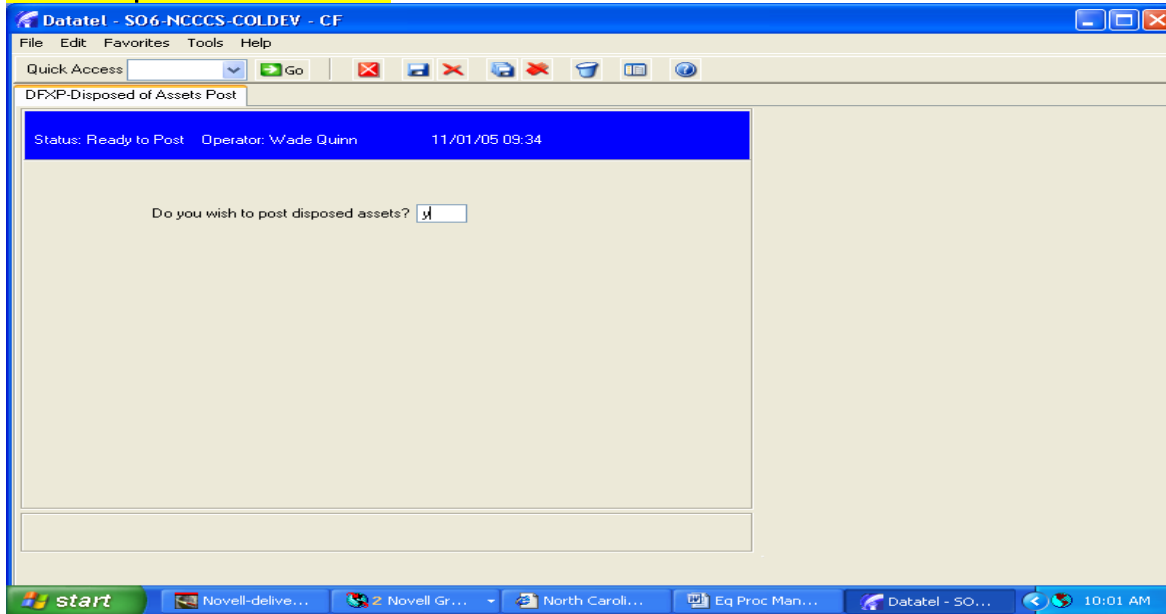
Enter [Y] to post the disposal information created in the Disposed of Assets Report (FXDR). Entering "N" does not delete the disposal information created by the report. You can post disposal at another time or you can run another FXDR report that will overwrite the current disposal information.

Note: DAAR and DFXA are good to use if you enter an asset in error and you want to get rid of it. It is recommended that you keep all asset history. If your college has a local policy to remove assets in 4-5 years this mnemonic can be used. Not recommended to be used often and only under certain circumstances

DAAR - Disposed Assets Archive Report
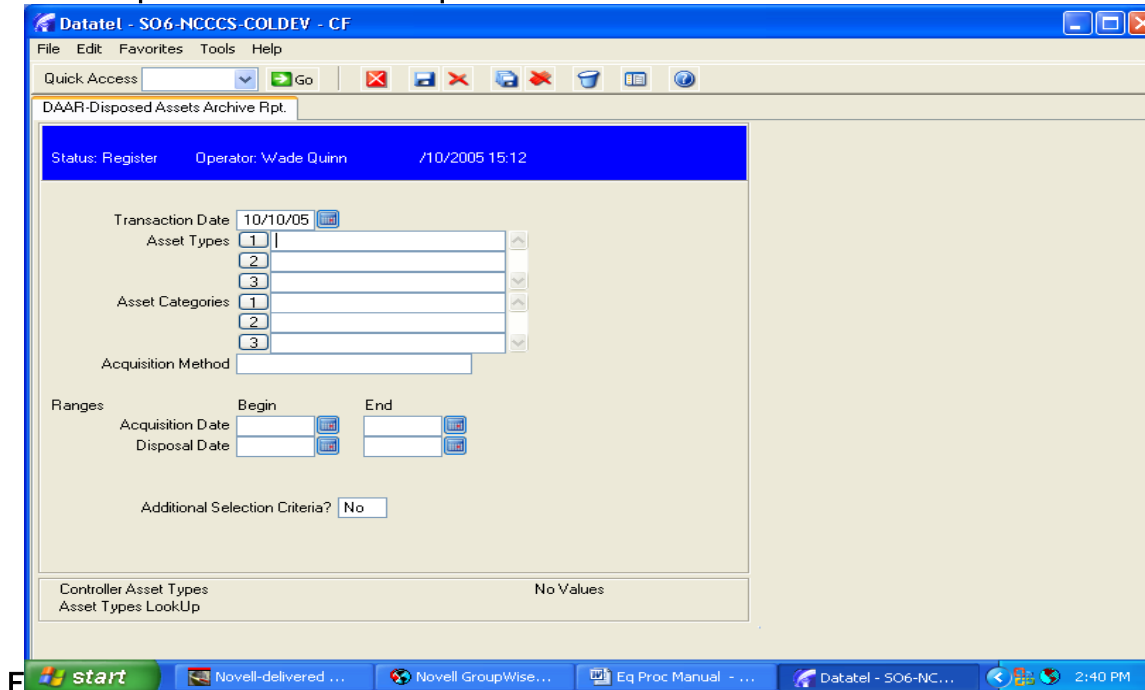
Use the Disposed Assets Archive Report (DAAR) to select a group of assets that have been disposed using the Disposed of Assets Post (DFXP) screen and to generate a report. If no errors occur during the DAAR report (the status of the report is "Ready"), you can archive the assets that appear on the report using the Disposed Assets Archive (DFXA) screen.
Note: This report will run successfully only if the assets selected are not associated with a room or building. Running this report for an asset that is associated with a room or building or that is the asset record for a building will produce errors and a status of "Register."

Note: DAAR and DFXA processes should only be done once every four to five years. This process completely erases all history of the fixed asset.

4-   DFXA - Disposed Assets Archive

Use the Disposed of Assets Archive (DFXA) screen to transfer information related to disposed assets from the fixed asset files to the fixed asset history (ASSET.HISTORY) file. Before you can complete this screen, you must first run a Disposed Assets Archive Report (DAAR) that contains no errors (the status for the report is "Ready").

The Disposed Assets Archive (DFXA) screen removes assets from normal processing (i.e. assets that have been archived will no longer appear on the Fixed Asset Maintenance [ASST] screen) and moves them to a holding file until they are purged. The assets that are archived by this process are the assets that appeared in the most recent Disposed Assets Archive Report (DAAR).

Serviceable Excess State-Owned Equipment

Following are the procedures to follow when disposing of serviceable excess **state- owned** equipment.

1. When disposing of **serviceable** state-owned equipment that can be **used by other colleges**, notice of the equipment being disposed of should be circulated to the other "community colleges by an e-mail message" prior to the disposal, include a date to respond by. Minimum bids can be requested for equipment that is circulated through the system.

2. If no college requests the equipment, the college may then sell or donate the equipment to public schools, governmental agencies and non-profit organizations.

3. Colleges may also dispose of surplus equipment in the same manner as cities and towns as addressed in Article 12 of General Statute 160A (specifically G.S. 160A-265-271 & 280).

    Article 12 - Sale and Disposition of Property

4. Serviceable excess equipment not taken through one of these processes may be sold through the State Surplus Agency (G.S. 115D-15). The procedures for disposing of surplus property are described on the following pages.

Procedures for Sale of Surplus Equipment

Surplus state-owned equipment may be sold through the State Surplus Property Agency or as addressed in Article 12 of General Statute 160A. The following are procedures to follow in each method:

1. **Disposal through the State Surplus Property Agency**

    Surplus Property is governed by General Statute 143-64.01 and State Surplus Administrative Code is NCAC Title 1 Chapter 43A.

    Colleges must submit a request of items which they would like to surplus through the SSP Online System (http://www.ncstatesurplus.com/ssp/agency/logon.asp). For more information regarding this system please contact State Surplus at (919) 814-5600 or ssp.info@doa.nc.gov.

    If the college decides to deliver the items to surplus, all items must be properly tagged with the computerized labels before they can be delivered to State Surplus Property. Once items have been tagged by the agency, delivery should be coordinated by calling the State Surplus Property warehouse at (919) 814-5600 and schedule a delivery time. All appointments for delivery are made according to space availability in the warehouse. If your items arrive at State Surplus Property with no labels, they have no way of determining who they belong to and these items become property of State Surplus.

    Appointments for the delivery of ANY computer equipment, including printers, must be made by calling the computer warehouse site at (919) 814-5623. Make sure to check computers, printers, copiers, etc. for sensitive data prior to sending to surplus. They must be cleaned of files to the standard set by the Office of Information Technologies.

    If the college plans to sell a motor vehicle, the title must accompany your paperwork along with the odometer/damage disclosure signed by the college. If the vehicle is state owned (purchased with state funds), you will need to contact the Business & Finance Division, Procurement Services Section at the System Office (919) 807-7089 for the title if you do not already have the original title at your site.

    If the college wishes to establish a minimum bid, the amount should be entered in the appropriate place on the Equipment Disposal Form (See the Forms Section). If a minimum bid is shown, no bids of less than that amount should be accepted by State Surplus Property on your behalf.

    The State Surplus Property Agency will forward bid results showing the successful bidder and the bid amount to the college. After receipt of payment, State Surplus Property will send a check to the college for the surplus equipment sold, less 8.0% handling fee. (Note: After receipt of the check, the item can be removed from the inventory.)

    If an item does not receive a successful bid on the first attempt at public sale it will be re-advertised. Every item will be advertised a minimum of two times. If all attempts at public sale prove unsuccessful, the college will be notified and disposal by other means can be explored.

    The President of the college, or their designee, is responsible for ensuring that all equipment offered for disposal by the college is honestly represented as to condition, accessories, and attachments; that equipment being held for transfer or sale is available during normal working hours for inspection, that it is properly stored and secured, and that all components and accessories are available.

    Persons making purchases are responsible for removing equipment from the selling college.

2. Disposal in the Same Manner as Public Schools

General Statute 115D-15 permits colleges to sell equipment in the same manner as is provided to cities and towns (Article 12 of G.S. 160A). Please note that when Article 12 of G.S. 160A refers to a city council or city official, you should substitute your board of trustees or college official. Portions of Article 12 of G.S. 160A, **as of this printing**, are **briefly** summarized in 2 A, B, C, D and E. If you elect to use one of these methods, **you should refer to the full and latest version** of Article 12 of G.S. 160A and not rely on this summary. (See the "For Your Information" section for a web page for the N. C. General Statutes.)

A. **Public or Private Exchanges and Sales G.S. 160A-266(c)** – Colleges may adopt regulations to dispose of personal property valued at less than $5,000.00 through public or private exchanges and sales. This method is designed to secure fair market value for property and to accomplish the disposal efficiently and economically. Colleges should authorize one or more officials to declare surplus any personal property valued at less than $5,000.00 for any one item or group of items, to set its fair market value, and to convey title in accord with these regulations.

B. **Private sale G.S. 160A-267** - Colleges may dispose of property valued at less than $30,000.00 through a private sale. If a college feels strongly enough that this is the best way to dispose of property, it shall at a regular board meeting adopt a resolution or order authorizing the college president or chief fiscal officer to dispose of the property by private sale at a negotiated price. The resolution or order shall identify the property to be sold and may, but need not, require a minimum price. A notice summarizing the contents of the resolution or order shall be published once after its adoption, and no sale shall be consummated there under until 10 days after its publication.

C. **Advertisement for sealed bids G.S. 160A-268** - The sale of property by advertisement for sealed bids shall be done in the manner prescribed by law for the purchase of property, except that in the case of real property the advertisement for bids shall begin not less than 30 days before the date fixed for opening bids. (1971, c. 698, s. 1.)

D. **Negotiated offer, advertisement, and upset bids G.S. 160A-269** - This is a complicated process that permits a college to receive, solicit, or negotiate an offer to purchase property. Once an offer is received, the college will then advertise the offer in the hope of receiving upset bids. This process requires a deposit of 5% of the bid, stipulates minimum amounts that an offer must be raised, and can go on indefinitely.

E. **Public auction G.S. 160A-270** - When it is proposed to sell personal property at public auction, the local board of trustees at a regular board meeting shall adopt a resolution or order authorizing the college to dispose of the property at public auction. The resolution or order shall identify the property to be sold and set out the date, time, place, and terms of the sale. The resolution or order shall be published at least once and not less than ten (10) days before the date of the auction.

F. **Donations to other governmental units G.S. 160A-280** – A city may donate to another governmental unit within the United States, a sister city, or a nonprofit organization incorporated by (i) the United States, (ii) the District of Columbia, or (iii) one of the United States, any personal property, including supplies, materials, and equipment, that the governing board deems to be surplus, obsolete, or unused. The governing board of the city shall post a public notice at least five days prior to the adoption of a resolution approving the donation.

Disposition of Locally Owned Equipment and Materials

Colleges have the option of disposing of locally owned equipment and materials through the State Surplus Property Agency or in the same manner as permitted by cities and towns. (See the "For Your Information" section for a web page for the N. C. General Statutes.)

Colleges are **not** required to make **locally owned** equipment available to other community colleges; however, colleges are encouraged to do so as there may be other colleges with a need for the excess items. Minimum bids can be requested for locally owned equipment that is circulated through the system.

Loss or Theft of Equipment

Each college has the responsibility to provide accountability for all equipment in its custody. Effective equipment control measures should be implemented to keep equipment losses to a minimum. If a loss should occur, the following steps should be taken:

1. Pursuant to G.S. 114-15.1, "Any person employed by the State of North Carolina, its agencies or institutions, who receives any information or evidence of an attempted arson, or arson, damage of, theft from, or theft of, or embezzlement from, or embezzlement of, or misuse of, any state-owned personal property, buildings or other real property, shall as soon as possible, but not later than three days from receipt of the information or evidence, report such information or evidence to his immediate supervisor, who shall in turn report such information or evidence to the head of the respective department, agency, or institution. The head of any department, agency, or institution receiving such information or evidence shall, within a reasonable time but no later than 10 days from receipt thereof, report such information in writing to the Director of the State Bureau of Investigation.

    Upon receipt of notification and information as provided for in this section, the State Bureau of Investigation shall, if appropriate, conduct an investigation.

    The employees of all State departments, agencies and institutions are hereby required to cooperate with the State Bureau of Investigation, its officers and agents, as far as may be possible, in aid of such investigation.

    If such investigation reveals a possible violation of the criminal laws, the results thereof shall be reported by the State Bureau of Investigation to the district attorney of any district if the same concerns persons or offenses in his district." (1977, c. 763; 2003-214, s. 1(1).)

2. The chief business official, campus security, or designee should be notified immediately.

3. An immediate search should be initiated for the missing item to confirm the loss or theft. Instances of forcible entry must be reported to the local law enforcement agency.

4. The chief business official, campus security, or designee should investigate a loss or suspected theft and report findings to the president of the college, stating the apparent cause of the loss or theft.

5. When the losses have been confirmed, a Form NCCCS 4-11 (Request to Dispose of Capital Assets) must be prepared by a responsible college official and signed by the chief business officer, or designee for the file. When applicable, investigative reports should be included in the file.

6. If an asset is determined lost or stolen, it is recommended that the asset be kept on the inventory for a full year before it is disposed in the event of recovery.

7. The institution should prepare the NCCCS 4-11 form with the appropriate signatures, and they should be kept on file with a copy of the police report.

8. The Business & Finance Division, Procurement Services Section (System Office) may request additional information and may make on-site visits to colleges in an effort to determine reasons for losses and to assist in any way possible.

Cannibalization of Equipment

This section provides guidance for the cannibalization of state-owned equipment that has become unserviceable due to obsolescence or excessive repair costs, but which still has serviceable component parts that can be used to repair, modify or construct other items of equipment.

1. The college should initiate a Form 4-11 (Request to Dispose of Capital Assets) requesting approval of the Chief Business Officer or designee to cannibalize an equipment item. This should be done prior to cannibalization of the item.

2. Parts resulting from cannibalization which are identifiable and have a value of $5,000.00 or more should be placed on inventory and given a new inventory item number.

3. Disposal of residual parts cannot be used for personal gain.

4. Residual parts may be disposed of through one of the following methods:

   a. Sale as an item through State Surplus Property Agency. This would occur when the residue is identifiable as a unique item.

   b. Scrap sale would occur when residual items have little value as a unit but could be placed in a scrap pile with similar items.

   c. Items such as broken wood, plastics or glass parts with no further value may be destroyed in a suitable site and manner (county landfill, city dump, etc.). **EXTREME CARE SHOULD BE TAKEN NOT TO THROW AWAY ANY USABLE ITEM, OR ANY ITEM WHICH COULD BE REASONABLY REPAIRED INTO A USEFUL ITEM**.

5. Scrap materials resulting from cannibalized equipment, as well as from other sources, should be kept until a minimum load of approximately 1,000 pounds is accumulated. The college may report the scrap material to the State Surplus Property Agency for public bid sale, giving the approximate weight and type (copper, brass, steel, etc.) of material to be sold, or disposed of by local sale in accordance with previously described procedures. Money from the sale of scrap resulting from cannibalized equipment will be deposited to the college's equipment budget.

AUDITS

SECTION D

Setup and Use of the Equipment Inventory Scanner

Setting up the Scanner **
a. Connect the cradle to a computer using the serial cable connector provided, and be sure that the power supply for the cradle is plugged in.

b. Place (dock) the Scanner in the cradle.

c. Install "Active Sync" on the computer using, either, the CD provided with the Scanner or a download from the Microsoft website.

d. Confirm that "Active Sync" recognizes the Scanner.

e. On the Scanner, locate the following file: **adf_ncccs_b64.xml** (adf_ncccs.xml on older models).
   NOTE: It should be located in the "/Applications/SAL" or "/Applications/MAC" directory on the Scanner. ("Programs | File Explorer" can be used to find the location of the file.)

f. Copy this file to the computer for editing (to the Windows Desktop or a drive on the computer).

g. Open the file in Notepad and change the appropriate "log file" and "communication settings" (see **Appendix A**).

h. Copy the updated version of this file back to the Scanner and have Active Sync synchronize with the Scanner.

2. **Scanning Items**

   a. After fully charging the battery (18 – 24 hours), remove the Handheld from its Docking Cradle.

   b. Turn the Scanner on and start the Inventory Software (MAC or SAL).
   NOTE: to identify the version number of your software, please see **Appendix B – Troubleshooting**.

      i. Go to the "Start" menu
      ii. Click on "Programs"
      iii. Tap the SAL (or MAC) icon one time with the stylus, or highlight using the arrows on the keypad and press the "Enter" button to start.
      NOTE: Be careful not to tap it multiple times; this will open multiple instances of the program, which will cause a Database Error ("Unable to create DB file"). If you get the DB error, see **Appendix B – Troubleshooting**.

   c. Key in a building or scan a building (if your college has created tags for buildings)

   d. Key in a room or scan a room (if your college has created tags for rooms)

   e. Scan a piece of equipment and click "OK" to confirm this record.
   NOTE: You must click "OK" to save this entry. To "Cancel" the entry and remove the record, click "Cancel".

   f. For each additional item, repeat Step "e" in this Building/Room combination.

   g. For each new Room, repeat Step "d" and "e"

   h. For each new Building, repeat Steps "c" and "d", then "e".

   i. When scanning is completed, return the Scanner to the cradle.

3. **Importing the Equipment to Colleague**

   The Scanner data file <u>must</u> be placed into the "./DATA/DATA_S /SCANNED.RECORDS" directory on the Colleague server**.

   ** NOTE: The Server Names have changed for R18 to "/Colleague/coll18/production/apphome/DATA/DATA_S" or something similar **

   The method for getting the Scanner data file there is up to your System Administrator.

   To set the Scanner to automatically do this, the System Administrator will need to enter the appropriate information in the "Communication settings" in Step 1-g. This will place the file in "./DATA/DATA_S/ SCANNED.RECORDS" automatically. If the System Administrator chooses a different method (see "Security Note" in Appendix A), the user may have to manually FTP it to this location, or the System Administrator may need to complete this step.

   a. For those users with the Scanner setup to automatically upload to Colleague:
   In the SAL/MAC software, go to the "File" menu and select "Upload Data". You will be prompted to confirm the upload. Once this process is complete the Scanner data file will show up in the location that was specified in the XML file edited in Step 1-g.

Once the file is on the Colleague Server in the "./DATA/DATA_S /SCANNED.RECORDS" directory, run:

b. **XIEI**: Equipment Inventory Initialization – to initialize Colleague at the beginning of each year, to prepare for data import.

i. **"Y"**: tells Colleague that you will be using a Scanner
- Clears the XEI.INVENTORY and XEI.FIXED.INV files in preparation for import from the Scanner.

ii. **"N"**: tells Colleague that you will enter inventory manually.
- Purges the XEI.INVENTORY and XEI.FIXED.INV files and repopulates them with a baseline of equipment from FIXED.ASSETS.

c. **XISI**: Scanner Import Process – imports the scanned data into Colleague. Produces an error report to let you know of problems with records, so that they can be addressed and rescanned, if necessary.
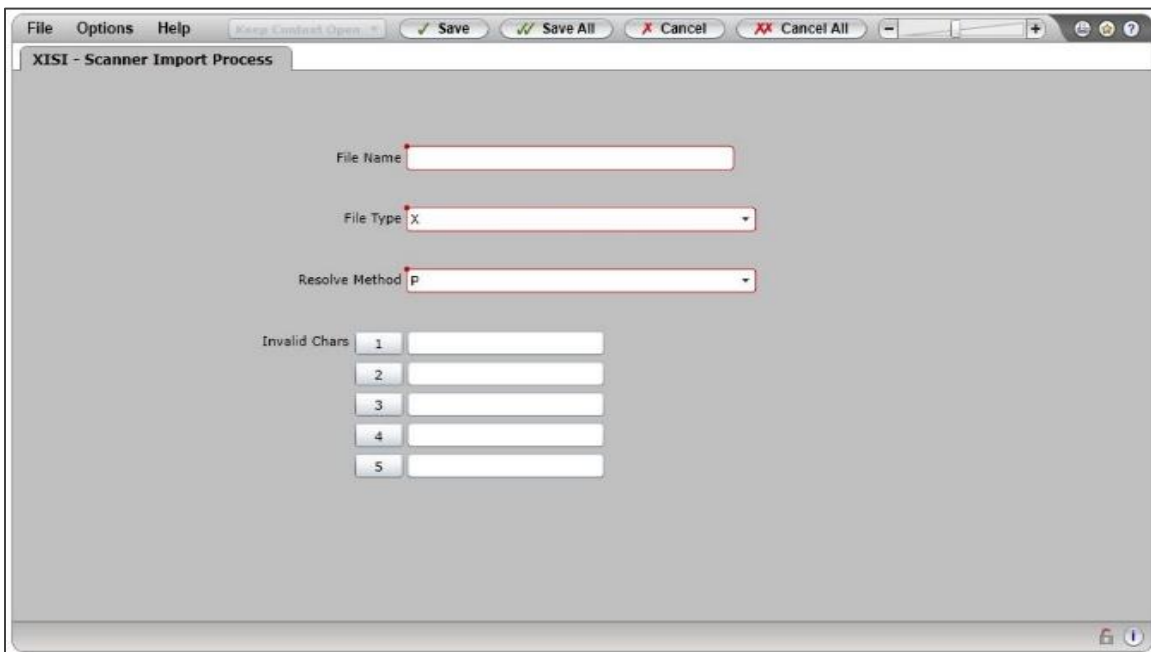
NOTE: You can re-import the same file numerous times. However, the system <u>will</u> <u>only</u> overwrite an existing imported item, if the newly imported item has a more recent date/time stamp. You may need to work with your IT department and the System Office Staff to resolve some error messages or problems in Scanner files.

    i. Enter "..." in File Name, to see the file in the Resolution screen

    ii. Select your scanned record file

    iii. Enter the appropriate File Format (XML, TXT, or CSV) – the System Office strongly recommends XML.

    iv. Enter a Resolve Method for your institution - the Resolution Method should be specified as "Property Tag".

d. <u>XISR</u>: Inventory Status Report – Once the import of the scanned records or manual entry of records has been completed, you will be able to run XISR to report on the items that you have entered.

Status choices:
A = All
F = Fund
M = Missing
RL = Relocated
RC = Recovered

Sort Criteria:
CAT = Category (Program) Code
BRM = Building and Room
DEP = Department

e. XIMI: Inventory Maintenance – Use this screen to manually modify scanned or manually entered records, if necessary.
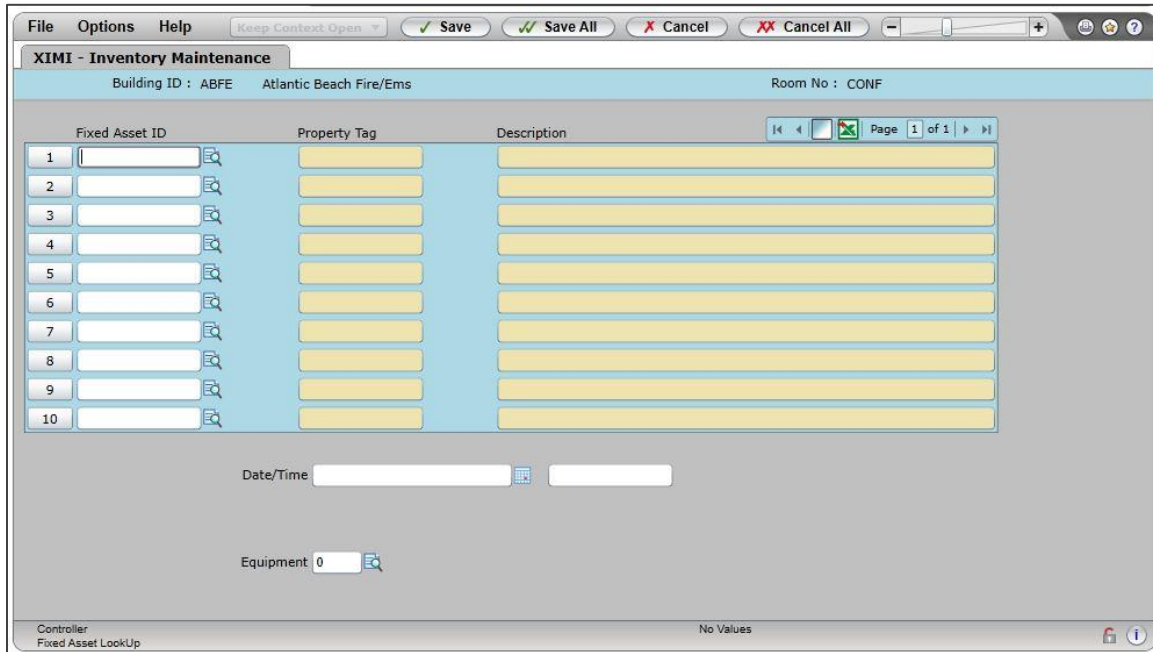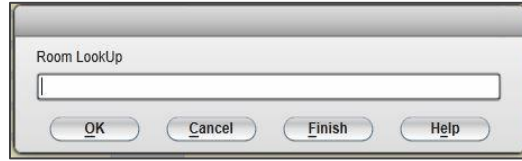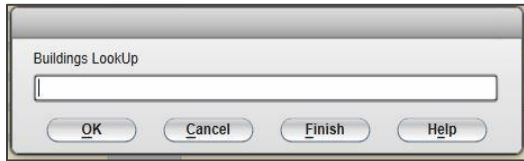
4. Committing the Results to Colleague

a. XIIR: Inventory Results Processing – When you have completed all of the scanning for the year you can now commit the inventory results to the live Colleague data (FIXED.RECORDS) using XIIR.

BE AWARE: *once this process is run it cannot be undone and should only be run one time per year.*

The system will update the Scan Date of all "Found" assets and assets scanned in a new location will be moved (their location redefined and location history updated). If a moved item has a commodity code that is ignored (ex. AV equipment, which is moved too often to be tracked by a finite location), the location will not be updated.
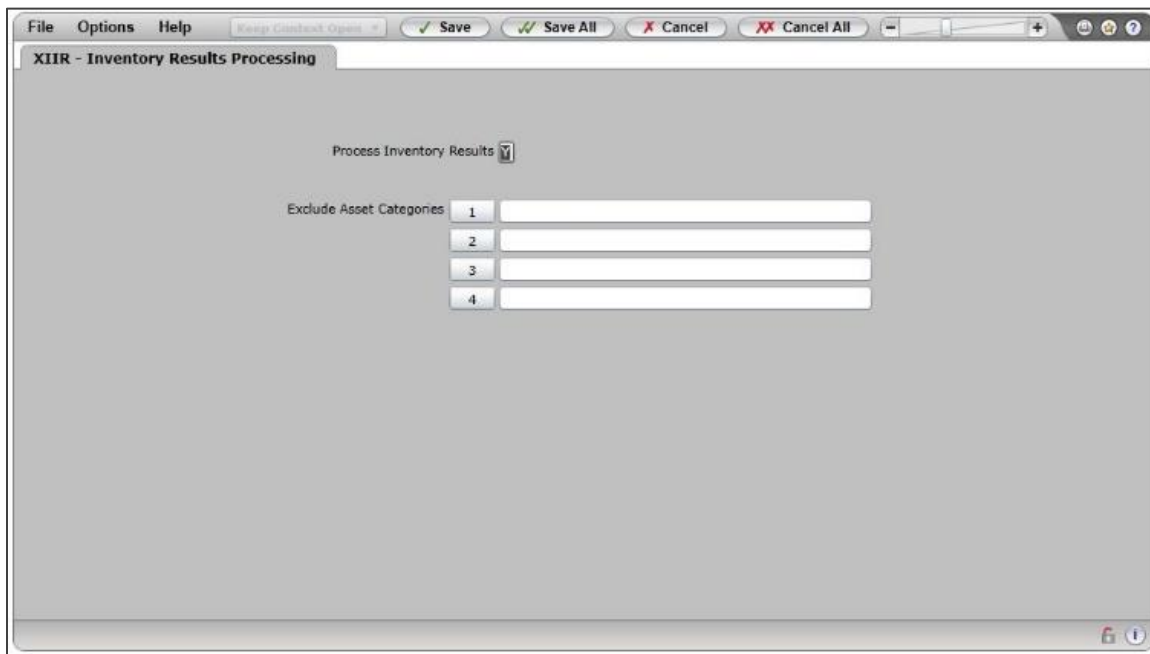
After the process completes, you will get an error report that displays any equipment that has not been found and or has been relocated (was "Lost" in a previous year and has been rescanned i.e. "Recovered"). These items must be addressed manually, because the update process cannot automatically commit these updates. You should address these updates in the manner that your policy defines.

5. **Reporting (Overview)**

   a. <u>XIER</u>: Equipment Report – report that displays Fixed Asset information, only. If XIIR has not been run, the Equipment displayed will not be current.

   b. <u>XIHR</u>: Equipment History Report – looks at the General Ledger then at the Equipment Records and summarizes the results in three reports:

      i. General Ledger listing based on object codes

      ii. Equipment Transactions and Changes (ie. Acquired/Disposed/ Changed within FIXED.ASSETS)

      iii. A Summary of the first two reports

   c. <u>XIDH</u>: Finds and lists all equipment by Fund Source and Action

Appendix A - Adjustment of "adf_ncccs_b64.xml"

In Notepad, edit the "adf_ncccs_b64.xml" file and adjust the lines identified below, if necessary.
NOTE: Your System Administrator may want to complete this task.

** indicates lines that <u>may</u> need adjustment, see the instructions below each identified line.

--------- adf_ncccs_b64.xml ---------
```
<?xml version="1.0" ?>
<!--DOCTYPE application SYSTEM "ncccs.dtd"-->
<application>
        <name>MAC</name>
        <server type="ncccs" process="mac"/>
        <splashtext>MAC|Mobile Asset Counter</splashtext>
        <dasfileextent>xml</dasfileextent>
        <deletelog>2</deletelog>
```

**   **<logtype>ncccs.xml</logtype>**
- if necessary, change the filename extension to match file type you are using (.txt, .xml, or .csv)

```
        <versionfile></versionfile>
        <startdisplay>DeviceSN</startdisplay>
        <notdidmarker>-</notdidmarker>
        <enable>
                <feature name="SystemMenu">2</feature>
                <feature name="SendRecv">2</feature>
                <feature name="Exit">2</feature>
                <feature name="BackupUnlimited">Yes</feature>
        </enable>
        <contextlist>
                <ctx_item>
                        <ctx_name>MAC</ctx_name>
                        <ctx_type>constant</ctx_type>
                        <ctx_code></ctx_code>
                        <ctx_desc>Mobile Asset Counter</ctx_desc>
                        <ctx_level></ctx_level>
                        <ctx_panelnbr>1</ctx_panelnbr>
                        <ctx_panellbl></ctx_panellbl>
                        <ctx_paneldisplay>desc</ctx_paneldisplay>
                </ctx_item>
        </contextlist>
```
<communication>
```
        <commversion>1</commversion>
        <license encrypt="b64">MTIzOjk5OTk6MTAwMDoxMzU1MzoxNzc2Nw==</license>
```

**   **<host name="*hostname*"/>**
**   **<ip>*nnn.nn.nn.n*</ip>**
- enter a *hostname* or an IP (*nnn.nn.nn.n*) address for where the file is to be uploaded, but not both.
The System Office recommends using an IP address.
**   **<platform>WINDOWS</platform>**
- enter UNIX or WINDOWS, based on your environment

```
        <transport>FTP</transport>
        <smx_port></smx_port>
```

```
**              <logon> login id </logon>
```
- enter the *login id* to access the Colleague server (see Security Note below)

```
**              <pwd encrypt="">password</pwd>
```
enter the *password* to access the login account specified above (see Security Note below)
```
              <account></account>
              <path_ppcroot></path_ppcroot>
              <path_ftproot></path_ftproot>
              <path_dct mvfile="">/txn</path_dct>
              <path_das mvfile="">/</path_das>
              <path_adf mvfile="">/</path_adf>
              <timeout_connect>90</timeout_connect>
              <timeout_transfer>30</timeout_transfer>
        </communication>
```

End of changes in file

***** Security Note *****

This file is insecure. If the Scanner is stolen, the login and password information is viewable. The System Office has no recommendation for how to work around this security issue, but the following are some suggestions for dealing with it:

1.   Create a Colleague Server user logon for the Scanner only and give it <u>very</u> limited access:

      a. Deactivate this login when there is no equipment scanning occurring

      b. On a SUN Server, comment out the entry for the Scanner login in '/etc./password', when not in a scanning time period.

2.   Upload the Scanner Data file to a "middleman" computer

      a. The System Administrator can manually move the file to the Colleague Server

      b. The System Administrator can write a script to automatically check for new files in a location and transfer them when they exist.

3.   Make the host machine an FTP Server

      a. The machine will need a Static IP (DHCP will not work)

Appendix B - Troubleshooting

Q1: When I try to start MAC/SAL, I get a Database error, something like "Unable to create DB file", what does this mean?

A1: This usually means that there is more than one version of the MAC/SAL software running on the Scanner.

To shut down the multiple versions of MAC/SAL running on the Scanner, go to "Start | Settings" and select the "System" tab. Click on the "Memory" icon and select the "Running Programs" tab. Scroll through the list, select and "Stop" any and all MAC/SAL by selecting and tapping on "Stop".

Q2: To Scan a barcode, I have to touch the Scanner to it or hold it extremely close, what's wrong?

A2: Make sure the battery is fully charged (at least 10 hours).

Q3: How do I know what version of the MAC or SAL software I have on my Scanner?

A3: Tap on the program icon to start the software, then tap on the "View" menu, and select "About". Most Scanners should now be at Version 3.0 or greater. If your Scanner is at Version 2.0, please contact the CIS Help Desk to create a Help Desk Ticket for upgrading your Scanner.

Q4: I did "File | Upload" to the wrong Server, I'm trying to do it again, where is the data on my Scanner?

A4: At this point, the data is no longer on the Scanner. The "File | Upload" process takes the data, creates a file of the format specified in "adf_ncccs.xml" (.txt, .csv, .xml), and FTP's it to the Server location specified (in "adf_ncccs.xml").

You will need to FTP the file from the wrong Server to the Colleague Server (in the "./DATA/DATA_S /SCANNED.RECORDS" directory). Also, edit the "adf_ncccs.xml" file in Notepad to correct the IP Address or Host Name.

College Internal Equipment Audit Procedures

1. A complete internal inventory audit of capitalized equipment must be conducted during each fiscal year by all colleges in the Community College System ==and must be completed by August 1st of each fiscal year.==

2. Standard report forms NCCCS 4-13, (Program Report - Internal Equipment Audit), must be used by each college for conducting and reporting equipment audit results. While it is not mandatory for the NCCCS 4-13 forms to be filled out electronically, but it should be neat, legible and reproducible. ==A college is only required to prepare a form for the program(s) that has missing equipment.== If the program(s) have no missing equipment, then the form is not required. If a college has located all equipment during the audit, one form should be prepared indicating all items were located.

   ==The original of the completed form should be maintained in a file by the responsible staff person and be available upon request for audit purposes.==

3. Records ==shall be maintained by the college as evidence that an Internal Equipment Audit is conducted annually by each college==. A college may choose to conduct a complete inventory audit more than one time a year.

4. In addition to the NCCCS 4-13, fund source, and deletions report==, colleges must prepare the Annual Internal Equipment Audit Reconciliation (NCCCS 4-21) for your annual fixed asset files. This form is intended to assist the colleges with the year-end reconciliations. Colleges must reconcile the fund source report utilizing the prior fiscal year's balance (figures) for each fund source, plus additions, minus deletions and any adjustments. The reason why an adjustment is made should be addressed in the comments section of the form.==

5. ==The current year balance column (figures) should match the current fiscal year fund source report==.

6. XITR should only be processed when the college has completed all transactions for the fiscal year by June 30.

7. Any remarks worthy of notation should be entered in the "comments" section of the NCCCS 4-13 form. Equipment that has previously been reported missing and is found during the annual audit should be noted in the "comments" section and re-entered into equipment inventory records.

8. ==Colleges should keep their completed reports and files accessible in the event they are needed for audit purposes.==

On-Site Equipment Audits

Based on the review of the college's Internal Equipment Audits, the Procurement Services Section may conduct on-site spot checks of equipment or partial equipment audits at the election of the State Board of Community Colleges or the Community College System Office.

Approximately one percent of the total inventory will be checked during the spot check process. The college will be notified one week prior to the spot check. No advance listing of the items to be audited will be sent to the college. The selection of items to be audited will be made by the Procurement Services Section.

If a complete equipment audit is performed at a college the college will be notified approximately one week prior to the onset of the audit.

The Procurement Services Section will provide a copy of the spot check equipment audit results to the equipment coordinator, chairperson of the college's board of trustees, college president, chief business official, and to the Vice President for Business and Finance at the Community College System Office.

FOR YOUR INFORMATION

SECTION E

Reports and Due Dates

These reports are due on a monthly or annual basis as follows and shall be maintained at the college level for review and audit purposes:

Reports	Due Date for Completion	Frequency
Monthly Audit Report (**XIHR**)	15th of each month	**Monthly**
Fund Source Report (**XIER**)	August 1	**Annual**
Electronic Transmittal (**XITR**)	August 1	**Annual**
Deletions Report (**Informer**)	August 1	**Annual**
Internal Equipment Audit (**NCCCS Form 4-13**)	August 1	**Annual**
Internal Equipment Audit Reconciliation (**NCCCS Form 4-21**)	August 1	**Annual**

This report is due to the System Office by the due date indicated below:

Purchasing Flexibility Report	February 1	**Calendar Year Annually**

REPORT BY PROGRAM CODE/ASSET CATEGORY

ASSET CATEGORY	PROGRAM
001	FORESTRY MOBILE EQUIP
002	ACCOUNTING LAB
003	ADULT BASIC EDUCATION
004	ADULT HIGH SCHOOL
005	AG. CHEMICALS
006	AG. CHEMICALS-RELATED
007	AG. EQUIPMENT
008	AIR COND. & REF
009	AIR FRAME & POWER PLANT MECH.
010	AMBULANCE TRAINING
011	ANIMAL SCIENCE
012	ART DESIGN LAB
013	AUDIOVISUAL AIDS
014	AUDIOVISUAL EQUIPMENT
015	AUDIOVISUAL SYSTEM
016	AUDITORIUM
017	AUTOMOTIVE BODY
018	AUTOMOTIVE MECHANICS
019	TAXIDERMY
020	BIOLOGY ANA, PHY, & MICROB.
021	BIOLOGY - HERBARIUM
022	BIOLOGY LAB
023	BIOLOGY CULT. MEDIA
024	BOARD ROOM
025	CARPENTRY & CABINETMAKING
026	CHEMISTRY - ANALYTICAL
027	CHEMISTRY INDUSTRIAL
028	CHEMISTRY LAB GENERAL
029	READING LAB
030	CHEMISTRY - ORGANIC
031	CHEMISTRY PHYSICAL
032	CIVIL TESTING
033	CLASSROOM - GENERAL
034	CLASSROOM - SEMINAR
035	CLASSROOM - SCI. DEM.
036	COMMERCIAL ART & AD. DES.
037	CONFERENCE ROOM
038	MARINE RELATED OCCUPATIONS
039	COSMETOLOGY LAB
040	CULINARY SCIENCE
041	CREATIVE & FINE ARTS ADULT ED
042	DATA PROCESSING LAB
043	DENTAL DARK ROOM
044	DENTAL HYGIENE CLINIC
045	DENTAL LAB
046	DENTAL OPERATOR
047	DENTAL MAT. LAB
048	DENTAL X-RAY OPERATOR

ASSET CATEGORY	PROGRAM
049	RESPIRATORY THERAPY
050	DIESEL
051	DIESEL TRUCK MECHANIC
052	DRAFTING & DESIGN
053	DRAMA
054	DRIVER EDUCATION
055	DRY KILN
056	DUPLICATING
057	EARTH SCIENCE
058	ELECTRICAL
059	ELECTRICAL INSTALLATION
060	ELECTRICAL LINEMAN
061	ELECTRONICS
062	ENERGIZED ELECTRIC LINE
063	FACULTY LOUNGE
064	FARM MACHINERY
065	FARRIERING
066	FINE ARTS
067	OPTICAL LABORATORY
068	FIRE PROTECTION ENGINEERING
069	FIRE SERVICE TRAINING
070	FIRST AID ROOM NON-INSTR.
071	FIRST AID & SAFETY
072	FISHERIES OCCUPATIONS TRAINING
073	FISHERY SCIENCE
074	FLORAL DESIGN & SHOP MAN.
075	FOOD PROCESSING - BASIC
076	OCCUPATIONAL THERAPY ASST.
077	NUTRITION LABORATORY
078	HUMAN SERVICES
079	HOME & FAMILY LIVING
080	FOOD PROCESSING - SEA FOODS
081	FOOD SERVICE LAB
082	FOREST MANAGEMENT
083	FOREST RECREATION
084	FURNITURE DESIGN LAB
085	FURNITURE MANUFACTURING
086	EXTENSION & CONT. ED.
087	GRAPHIC ARTS - GENERAL
088	GRAPHIC ARTS LAB
089	GUIDED STUDIES
090	HEALTH, SAFETY/RELATED AD. ED.
091	HEATING SYSTEMS
092	HEAVY EQUIP. EARTHMOVING MACH.
093	HEAVY EQUIP. EARTHMOVING OPER.
094	HOMEMAKING - AD. ED.
095	HORTICULTURAL SCIENCE LAB
096	HOTEL MOTEL MANAGEMENT

ASSET CATEGORY	PROGRAM
097	HYDRAULIC FLOW
098	HYDRAULICS & PNEUMATICS
099	COMMERCIAL FISHING
100	INDUSTRIAL MAINTENANCE
101	INSTRUMENTATION
102	INSTRUMENT MECHANIC
103	INTERIOR DESIGN LAB
104	MENTAL HEALTH ASSOC.
105	JOURNALISM
106	LAW ENFORCEMENT TRAINING
107	LEARNING LAB
108	LEARNING RESOURCES C. - LIB.
109	LIGHT CONSTRUCTION
110	PLANER MILL/LUMBER GRADING
111	MACHINE SHOP
112	LIFE SCIENCE LAB
113	MACHINE TOOL
114	MARINE BIOLOGY
115	MARINE MECHANICS
116	MARINE TECHNOLOGY
117	MASONRY
118	MATERIALS TESTING
119	MEDICAL LAB
120	MARINE CONSTRUCTION
121	MEDICAL RECORDS LAB
122	POTTERY SCIENCE
123	MUSIC
124	NURSING PRACTICE LAB
125	ADMIN. OFFICE FURNITURE
126	ADMIN. OFFICE EQUIPMENT
127	OFFICE – FACULTY
128	OFFICE SECRETARIAL
129	OFFICE MACHINE LAB
130	OPERATING ROOM TECHNICIAN
131	DISPENSING LAB
132	MODEL & PATTERN SHOP
133	PHOTOGRAPHY LAB
134	PHOTO RELATED
135	MATHEMATICS
136	PHYSICAL ED
137	PHYSICAL THERAPY ASST.
138	PHYSICAL COLLEGE TRANS
139	PHYSICS OPTICIAN
140	PHYSICS LAB
141	PHYSICS VOCATIONAL
142	PLANT SCIENCE
143	PLANT LAYOUT
144	PLUMBING & PIPE FITTING

ASSET CATEGORY	PROGRAM
145	POULTRY SCIENCE
146	PRODUCTION, PLANNING
147	PSYCHOLOGY LAB
148	PULP & PAPER
149	QUALITY CONTROL
150	RADIOLOGIC TECHNOLOGY
151	ELECTRONIC SERVICING
152	RADIO/TV BROADCASTING
153	RECEPTION AREA - MAIN
154	RECREATIONAL GROUNDS MAN.
155	RECREATIONAL THERAPY
156	ENVIRONMENTAL SCIENCE
157	SAW FILER
158	SAW MILLING
159	SECRETARIAL LAB
160	SEWING MACHINE MECHANIC
161	SHEET METAL SHOP
162	SMALL ENGINE REPAIR
163	SOIL SCIENCE
164	ELECTRONIC MOTOR REPAIR
165	STENOGRAPHER LAB
166	STERILIZATION AREA
167	STORAGE GENERAL
168	STUDENT LOUNGE
169	STUDENT MEETING ROOM
170	STUDENT PER. SER. AREA
171	SUPERVISORY DEV. TRAINING
172	MARINE ELECTRONICS
173	SURVEYING
174	SURVEYING - RELATED
175	TELEPHONY
176	TEXTILE MANUFACTURING
177	TIME & MOTION STUDY
178	TOOL & DIE SHOP
179	TRANSPORTATION MAINTENANCE
180	TYPING & STENO LAB
181	UPHOLSTERY, CUTTING & SEWING
182	VETERINARY MEDICINE - L.A.
183	AUDIOVISUAL TECHNOLOGY
184	WATCHING MAKING
185	WELDING
186	GUN SMITHING
187	WILDLIFE SCIENCE
188	FOREST PRODUCTS TECHNOLOGY
189	WOOD PRODUCTS - SECONDARY
190	ELECTROMECHANICAL
191	BOAT BUILDING
192	PIANO TUNING

ASSET CATEGORY	PROGRAM
193	PART COUNTERMAN
194	INDUSTRIAL OCCUPATIONS
195	INTRODUCTION TO FIRE PRO. HAZ.
196	OCEANOGRAPHY
197	PHOTOGRAMMETRY
198	POLICE SCIENCE
199	VENDING MACHINES
200	INDUSTRIAL SAFETY & HEALTH
201	AVIATION MAN. & CAREER PILOT
202	LIBRARY TECH. ASST.. LAB
203	SEWING
204	PLASTICS
205	COMMERCIAL FISHERIES TECH
206	MEDICAL OFFICE ASST.
207	CHILD CARE
208	FUNERAL SERVICES
209	CRAFTS
210	INDUSTRIAL ELECTRICITY
211	PHOTOGRAPH - ANCILLARY
212	MOTORCYCLE MECHANIC
213	MARKETING & RETAIL LAB
214	RECREATION TECHNOLOGY
215	SHELTERED WORKSHOP
216	ORCHARD MGT. & HORTICULTURE
217	NUCLEAR TECHNOLOGY
218	COUNSELING SERVICES
219	ELECTRICAL APPLIANCE & REPAIR
220	TRUCK DRIVER TRAINING
221	NUCLEAR MEDICINE TECHNOLOGY
222	HISTORIC PRESERVATION TECH.
223	EMERGENCY MEDICAL TECHNOLOGY
224	TRUCK DRIVER TRNG. EQUIP. MAINT.
225	FIRE SCIENCE LAB
226	PHYSICIAN ASSISTANT
227	PERSONNEL SERVICES
228	PARALEGAL TECHNOLOGY
229	CRIMINAL JUSTICE
230	TEACHER ASSOCIATE
231	INSTRUCTIONAL SYSTEM
232	BIOMEDICAL TECHNOLOGY
233	EARLY CHILDHOOD SPECIALIST
234	READING GRANT
235	PHARMACY
236	SPECIAL SEV. FOR HANDICAPPED
237	ACADEMIC SERVICES
238	CLERICAL SERVICES
239	DATA PROCESS. LAB ADMINISTRATOR
240	FASHION MERCHANDISING/MARKETING

ASSET CATEGORY	PROGRAM
241	BUILDING TRADES DRAFTING
242	POSTAL SERVICES
243	WASTE WATER TREATMENT
244	INDUSTRIAL MECHANICS
245	DRUG & ALCOHOL TECHNOLOGY
246	BOOK STORE – LOCAL
247	COMPUTER ENGINEERING TECH
248	COMMUNICATIONS TECHNOLOGY
249	SMALL BUSINESS PROGRAM
250	EQUINE TECHNOLOGY
251	METAL ENGRAVING
252	ROBOTICS
253	PHYSIO -FITNESS/HEALTH TECH
254	ASTRONOMY
255	BUSINESS COMPUTER PROGRAMMING
256	ASSOCIATE DEGREE NURSING
257	LEARNING ASSISTANCE LAB
258	BUSINESS MICROCOMPUTER LAB
259	MEDICAL SONOGRAPHY
260	MANUFACTURING ENGINEERING TECH
261	INDUSTRIAL ENGINEERING TECH
262	MECHANICAL ENGINEERING TECH
263	TOOL DESIGN TECHNOLOGY
264	COLLEGE TRANSFER
265	AIR TRAFFIC CONTROL
266	DIGITAL ELECTRONIC REPAIR
267	ELECTRODIAGNOSTICS
268	COMPUTER CENTER
269	JTPA
270	ADM COMPUTERS/PERIPHERY
271	INSTRUCT. COMPUTERS/PERIPHERY
272	GERIATRIC ASSISTANT
273	ELECTRO-OPTICS/DATA COMMUN.
274	PUBLIC RADIO
275	ENGLISH DEPARTMENT
276	SPECIAL SERVICES - MATH LAB
277	HISTORY
278	BUILDING MAINTENANCE
279	GENERAL OFFICE-TECHNICAL ASSIST
280	ENERGY TECHNOLOGY
281	BUSINESS ADMINISTRATION
282	COLLEGE UNION
283	BOILER MECHANICS
284	CAREER RESOURCES
285	DEVELOPMENTAL EDUCATION
286	INDUSTRIAL MANAGEMENT
287	CO-OP PLACEMENT
288	ELECTRONIC ENGINEERING TECH

ASSET CATEGORY	PROGRAM
289	BANKING AND FINANCE
290	LIFE INSURANCE PROGRAM
291	REAL ESTATE
292	DENTAL ASSISTANT
293	NURSING ASSISTANT
294	MECHANICAL DRAFTING
295	SOCIAL SCIENC
296	MICROELECTRONICS
297	CIVIL ENGINEERING
298	CUSTODIAL EQUIPMENT - LOCAL
299	GROUND EQUIPMENT - LOCAL
307	OFF CAMPUS LEARNING LAB
308	OFF CAMPUS LIBRARY
314	OFF CAMPUS AUDIOVISUAL
317	OFF CAMPUS MASONR
318	OFF CAMPUS AUTOMOTIVE
324	OFF CAMPUS NURSING
325	OFF CAMPUS CARPENTRY
326	OFF CAMPUS ADM. OFF FURN.& EQUIP.
329	OFF CAMPUS AUTOMATED SYSTEMS LAB
333	OFF CAMPUS GENERAL CLASSROOM
335	OFF CAMPUS GENERAL SCIENCE LAB
337	OFF CAMPUS PHYS THERAPY ASST.
342	OFF CAMPUS DATA PROCESSING
352	OFF CAMPUS DRAFTING & DESIGN
359	OFF CAMPUS ELEC. INSTALLATION
380	OFF CAMPUS TYPING & STENO LAB
384	OFF CAMPUS FURN. MANUFACTURING
385	OFF CAMPUS WELDING
386	OFF CAMPUS EXT/CONTINUING ED
400	STUDENT GOVERNMENT ASSOC - LOCAL
401	SECURITY - LOCAL
402	CAFETERIA - LOCAL
403	AUDITORIUM - LOCAL
404	DRAFTING - LOCAL
405	COSMETOLOGY - LOCAL
406	STUDENT LOUNGE - LOCAL
407	COMPUTER – LOCAL
408	CHEMISTRY – LOCAL
500	PHLEBOTOMY
501	PHYSICS LAB-TECH PREP GRANT
502	INDUSTRIAL CONSTRUCTION TECH.
503	CIVIC CENTER
504	INFORMATION HIGHWAY
505	SOCIAL SERVICES
506	AQUACULTURE TECHNOLOGIES
507	INDUSTRIAL TECHNOLOGY LAB
508	ARCHEOLOGICAL HISTORIC PRESERVATION

ASSET CATEGORY	PROGRAM
509	SPEECH LANGUAGE PATHOLOGY ASST.
510	TELEVISION STUDIO
511	OCCUPATIONAL EXTENSION
512	EMERGENCY SERVICES
513	INFORMATION SYSTEMS TECHNOLOGY
514	ARCHITECTURAL TECHNOLOGY
515	COMMUNITY SERVICES
516	MOTORCYCLE SAFETY
517	MOTOR SPORTS MANAGEMENT
518	MULTI MEDIA PROGRAM
519	INSTITUTIONAL EFFECTIVENESS
520	THERAPEUTIC MASSAGE
521	EMERGENCY PREPARDNESS TRAINING
522	OPHTHALMOLOGY
523	LEASE/RENTAL EQUIPMENT
524	SPANISH INTERPRETER
525	E-COMMERCE
526	DISTANCE EDUCATION
527	SLEEP RESEARCH
** 528	HISTOTECHNOLOGY
** 529	ENOLOGY & VITICULTURE
** 530	EARLY/MIDDLE COLLEGE
900	BUILDING AND INFASTRUCTURE

** Denotes additions to the program codes.

G.S. 115D   Community Colleges
    Art. 2   Local Administration
          G.S. 115D-15   Sale, exchange, or lease of property; use of proceeds from donated property

    Art. 3   Financial Support
          G.S. 115D-32   Local financial support of institutions

    Art. 4A   Budgeting, Accounting, and Fiscal Management
          G.S. 115D-58.5   Accounting system
          G.S. 115D-58.14   Purchasing flexibility
          G.S. 115D-58.15   Lease purchase and installment purchase contracts for equipment

G.S. 143   State Departments, Institutions, and Commissions
    Art.3   Purchases and Contracts
          G.S. 143-48   State policy, cooperation in promoting the use of small contractors, minority contractors, physically handicapped contractors, and women contractors: purpose
          G.S. 143-48.3   Electronic procurement
          G.S. 143-52   Competitive bidding procedure
          G.S. 143-53   Rules
          G.S. 143-53.1   Setting of benchmarks: increase by Secretary
          G.S. 143-57   Purchase of articles in certain emergencies
          G.S. 143-57.1   Furniture requirements contracts
          G.S. 143-58.2   State policy: bid procedures and specifications: identification of products
          G.S. 143-58.3   Purchase of recycled paper and paper products
          G.S. 143-64   Beverages contracts
          G.S. 143-64.05   Service charges for disposal of surplus property and recyclable

G.S. 148-70   Management and care of inmates; prison industries; disposition of products of inmate labor

G.S. 160A   Cities and Towns
    Art. 12   Sale and Disposition of Property
          G.S. 160A-266   Methods of sale
          G.S. 160A-266(c)   Public or private exchanges and sales
          G.S. 160A-267   Private sale
          G.S. 160A-268   Advertisement for sealed bids
          G.S. 160A-269   Negotiated offer, advertisement, and upset bids
          G.S. 160A-270   Public auction
          G.S. 160A-274   Sale, lease, exchange, and joint use of governmental property

FORMS

Community College

SECTION F

ASSIGNMENT OF ADDITIONAL COSTS FOR EQUIPMENT

College: _____   **Month:** _____

Inventory No.	Sales Tax	Freight	Installation	Other	Explain
*Total					

* These totals must balance with the figures for these categories on the monthly 112 report.

NC COMMUNITY COLLEGE SYSTEM
INTERNAL EQUIPMENT AUDIT

College: _____

Inventory for Fiscal Year: _____

List of Items Not Located

Inventory Number	Asset Category/ Program Code	Description	Cost

Total Cost of Items Not Located	
Total Number of Items Not Located	

Equipment Coordinator: _____ **Date:** _____
Signature

This certifies that an inventory of all programs/departments was completed for the current fiscal year.

_____
President/CFO

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
REQUEST TO DISPOSE OF CAPITAL ASSETS

COMPLETE A SEPARATE SHEET FOR ITEMS FOR EACH TYPE OF REQUEST

_____Circulate/transfer   _____Trade-In   _____ Cannibalization

_____Lost or Stolen   _____Other _____

Item No.	Quantity, description and person to see for inspection	Inventory Asset No.	Acquisition Cost	Date Purchased	Cond	Min Bid	Bid Amt
1	2	3	4	5	6	7	8

Reporting College _____   Bidding College _____

By _____   _____
     Signature   Date   Signature   Date

Business Officer Approval_____   _____
                                        Signature   Date

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

ADJUSTMENTS TO INVENTORY FIGURES

College: **Month:**

Items Sold with No Inventory Numbers:		
Date of Form		
NCCCS 4-6	**Bid Sale Number**	**Amount of Sale**
		$
	Total	$

Other Adjustments (Example Below):	
Reason	**Amount**
	$
	Total $

Example: Minor equipment coded as major

_____   _____
Signature of College Official   **Date**

INCLUDE THIS FORM WITH MONTHLY INVENTORY AUDIT IN MONTH'S TRANSACTIONS

ANNUAL INTERNAL EQUIPMENT AUDIT RECONCILIATION

College: _____

Fund Source	Prior Year Balance	Additions	Deletions	Adjustments	Current Year Balance
0 = Institutional	0.00	0.00	0.00	0.00	0.00
1 = State (Capitalized)	0.00	0.00	0.00	0.00	0.00
2 = County/Local	0.00	0.00	0.00	0.00	0.00
3 = Federal	0.00	0.00	0.00	0.00	0.00
4 = Construction	0.00	0.00	0.00	0.00	0.00
6 = Donation	0.00	0.00	0.00	0.00	0.00
9 = State (Non-Capitalized)	0.00	0.00	0.00	0.00	0.00
Subtotal	0.00	0.00	0.00	0.00	0.00
Buildings & Infrastructure					
Total	0.00	0.00	0.00	0.00	0.00

Adjustment Notes/Documentation

*****The Current Year Balance Column must match your Fund Source Report submitted to the System Office*****

Prepared by: _____

PURCHASING FLEXIBILITY REPORT
Items covered under State Contract, but purchased from Non-Certified Sources
This report must be submitted on February 1.

Reporting College: _____

Reporting Period: _____ through _____

Descriptive Name of Item (1)	Purchase Order Number (2)	Term Contract Number (3)	Term Contract Cost Per Unit (4)	Non-Contract Cost Per Unit (5)	Saving Per Unit (Col 4 – Col 5) (6)	Number of Units Purchased (7)	Total Savings (Col 6 x Col 7) (8)

_____   _____
              Signature   Date

P-Flex/report form

Division of Purchase & Contract

https://ncadmin.nc.gov/about-doa/purchase-and-contract

P&C Forms and Templates

Current Division of Purchase & Contract (P&C) forms and templates can be obtained by accessing the [Procurement Information Portal](#).

The Procurement Information Portal (PIP) provides procurement end-users of North Carolina state agencies, universities, community colleges, local governments and local education agencies with the ability to search for and access state procurement administration information in a secure location.

The portal serves as the central resource hub for the state procurement documents, forms and tools. Administration resources such as procurement-related manuals, agency forms and documents, available training, agency-related news and memos are no longer accessible on the public webpage.

To request access to the Procurement Information Portal, please submit a [Procurement Information Portal Access Request](#).

Note: Access will be granted only to end-users of North Carolina state agencies, universities, community colleges, local governments and local education agencies.

After you have been granted access to the portal, enter here: [Procurement Information Portal](#)

Statewide IT Procurement Office

https://it.nc.gov/resources/statewide-it-procurement-office

Statewide IT Procurement Forms and Templates

The following template forms are provided for the acquisition of IT Goods and Services. Requestors should work with their Purchasing departments to complete these templates. The templates are in a Microsoft Word format. You may click on the links below to open and edit them. These templates are updated periodically, so please verify that you are using the most recent template version.

Form or Template	Description
Award Recommendation Letter Template	This template contains the important information that agencies need to document in the award recommendation for a solicitation. This document may be used to recommend an award for an IFB, an RFQ or an RFP, as appropriate.
Best and Final Offer (BAFO) Template	This template is used to document vendor negotiations.
Bid Addendum Template	This form is used to make changes or corrections to a bid/solicitation document or answer vendor questions submitted. This form must be issued prior to the due date of the offer.
Clarification of Confidential Information Template	This document is issued to a vendor to confirm which pages of the vendor's offer meet the requirements of the solicitation's Confidentiality section and/or to remove restrictions on pages that do not meet the requirements of the section.
Clarification Request Template	This document is issued to a vendor to gain information to improve the agency's understanding of the vendor's offer.
Exception Request Forms	Forms necessary to request an exception for use.

Form or Template	Description
[Instructions and Optional Terms for the RFP](#)	This document provides additional instructions for the RFP below and terms that may be used therein.
[Invitation for Bids (IFB)/Request for Quote (RFQ) Form for IT Goods and Services](#)	This template represents the state's model solicitation document used to procure information technology (IT) goods, embedded software and/or associated services, as applicable. This document may be used as either an IFB or RFQ, as appropriate.
[Invitation for Bids (IFB)/Request for Quote (RFQ) Form for Software and Software Support](#)	This template represents the state's model solicitation document used to procure software, or software and software support, as applicable. This document may be used as either an IFB or RFQ, as appropriate.
[Invitation for Bids (IFB)/Request for Quote (RFQ) Form for Software Maintenance (for existing software)](#)	This template represents the state's model solicitation document to be used to procure software maintenance for software that is already licensed to the state. This document may be used as either an IFB or RFQ, as appropriate.
[Online Services Terms and Conditions](#)	The online terms and conditions are intended as a replacement for the N.C. Department of Information Technology Terms and Conditions contained within the appropriate RFP, IFB and RFQ forms provided by NCDIT. These should be used with online services procurements, such as accessible online databases, online business research services and other services that provide information to the user through online means, except for SaaS services.

Form or Template	Description
Request for Information (RFI) Form	This document is used to request information from vendors about products or services when an agency does not have enough information readily available to write an adequate solicitation document. While information gathered from vendors' responses to the RFI may be used to enhance the agency's future IT procurement, the RFI should state that it is not a request for offer and that no award will result. Since the RFI is not a solicitation for procurement, the state's terms and conditions should not be included in the document.
Request for Proposal (RFP) Form	The RFP is a formal, written solicitation document typically used for seeking competition and obtaining offers for more complex services or a combination of goods and services. The RFP is used when the value is more than $10,000. This document contains specifications of the RFP, instructions to bidders and the standard IT terms and conditions for goods and related services. User should add supplemental terms and conditions for software and services, when applicable.
Request for Proposal (RFP) Online Services Form	The RFP is a formal, written solicitation document typically used for seeking competition and obtaining offers for online services. The RFP is used when the value is more than $10,000. This document contains specifications of the RFP, instructions to bidders and the standard IT terms and conditions for goods and related Services. User should add supplemental terms and conditions for software and services, when applicable.
Short-Term Staffing Hiring Addendum	This form is used to provide additional information regarding short-term staffing requests.
Software as a Service (SaaS) Terms and Conditions	The Software as a Service (SaaS) Terms and Conditions are intended as a replacement for the N.C. Department of Information Technology terms and conditions contained within the appropriate RFP, IFB and RFQ forms provided by NCDIT. These should be used with Software as a Service (SaaS) procurements.

Form or Template	Description
Statewide IT Procurement Checklist for Agencies	This checklist contains the items that should be completed before submitting a solicitation to the Statewide IT Procurement Office. Agencies must include a copy of the completed checklist when submitting solicitation documents.
Vendor Complaint Form	This form is used by agencies to formally document complaints regarding a vendor's performance in fulfilling a contract. This agency must complete the form and send copies to the vendor and IT Strategic Sourcing Office.
Vendor Readiness Assessment Report	This form should be used when engaging vendors for solutions that are either hosted on state infrastructure or are NOT hosted on state infrastructure, such as cloud services, (e.g., Infrastructure as a Service (IaaS), Platform as a Service (PaaS) and Software as a Service (SaaS)), to capture "baseline" security requirements that MUST be addressed by vendors to ensure the security of the state's data.