

First Baptist Church of District Heights

Inventory Control and Property Management Policies and Procedures Manual

Inventory Control and Property Management Policies and Procedures Manual

August 20, 2017

Dear Ministry Coordinators and Department Heads:

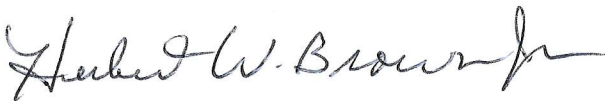
This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the inventory we will provide. We will compile all inventory items associated with your department from the information you provide. The term “inventory” is defined as any equipment and property associated with your department and bulk supplies up to a certain dollar amount.

The inventory team will not review or evaluate internal controls or the manner in which you maintain accountability of your inventory or other items that are on loan to another ministry. The team will observe the physical inventory, tag appropriate items and provide you with a hand receipt and/or inventory log as well as log the items under your ministry into church approved software for proper accountability.

You are responsible for the accountability of all items under your ministry department and for the availability in assisting with the physical inventory on the agreed upon date of the inventory. Accountability will include performing a pre-inventory review of all inventory and property. All supplies associated with your ministry will be inventoried in bulk. Please find out the whereabouts of all items associated with your ministry and be able to present this information during the inventory.

Please let us know if you have any questions prior to the inventory.

Very truly yours,



Trustee Herbert Brown
Chairman
Board of Trustees
First Baptist Church of District Heights

Inventory Control and Property Management Policies and Procedures Manual

A. Purpose

The purpose of this manual is to establish procedures for the management and accountability of First Baptist Church of District Heights (FBCDH) owned equipment and capital property to include: receipt and tagging of equipment; completion of a physical count/reconciliation; transfer of equipment; removal of equipment; acceptance of donated equipment; report of missing, lost or stolen equipment; and disposal of equipment that is no longer needed. The manual also contains instructions for properly managing and disposing of electronic equipment (i.e., computers, hard drives, monitors, printers, etc.).

FBCDH equipment and property shall be used for official church business only. Use of resources for commercial purposes or for personal goals is prohibited. The loan of church property to any party for personal use is prohibited. The loan of church property for non-personal use must be approved by the Senior Minister of Operations (SMO) and a Board of Trustees (Trustee Board) Representative.

The Trustee Board has general oversight responsibility for the ownership and control of all FBCDH equipment and property. The SMO is responsible for the inventory control system (or program). Custody and use of all property is the responsibility of all departments and ministries. Therefore, it is incumbent upon department heads to exert vigorous supervision over the equipment and property entrusted in their care and under their control.

The following policies are mandated by FBCDH and administered by the Trustee Board. Any changes to these procedures will be formerly communicated to the department heads, ministry leaders and members through memoranda issued by the SMO. These changes will also be incorporated into this manual.

B. Objectives

The objectives of the inventory control and property management procedures include the following:

- Maintain uniform accountability for FBCDH equipment and property. The primary responsibility for control of equipment rests with the Trustee Board and these procedures will ensure a uniform accountability over the processing, accounting and managing of church equipment and property.
- Assist departments and ministries in pursuing their specific goals and responsibilities regarding equipment and property including security, utilization, maintenance and disposal of equipment. Each ministry leader in each department is responsible for taking precautions to prevent the loss or theft of church property. Valuable equipment should not be left unattended or in unsecured areas.
- Provide a basis for projecting and budgeting future capital replacement and other needs to meet the objectives of FBCDH.

C. Responsibilities for Inventory Control and Property Management

1. The Trustee Board

The Trustee Board is responsible for the accountability, including locations and usage, of all inventory, equipment and property owned and operated by FBCDH. The Trustee Board serves as oversight for purchases, donations, disposal and sale of any equipment or property owned and operated by FBCDH.

Inventory Control and Property Management Policies and Procedures Manual

2. The Senior Minister of Operations

The Senior Minister of Operations (SMO) will serve as the monitor of inventory control, and is charged with assuring that processes related to maintaining, reporting and disposing of equipment and property represent sound practices and are compliant with procedures set forth in this manual.

Basic functions provided by the SMO are:

- a. Provide oversight for annual physical inventory of all church equipment and property;
- b. Update and code inventory records for equipment acquisitions and changes in the disposition of equipment (e.g. donated equipment, transfer to non-church entity, scrapped equipment, reported missing/stolen equipment); and
- c. Respond to all questions and concerns raised by members of the church regarding policies and procedures governing inventory control.

The SMO will annually request department heads (or a designated ministry leader from their department) serve as an inventory liaison. For a list of responsibilities, *see* Section 3.b.

3. Department Heads of the Church

- a. Department heads are delegated the responsibility of maintaining proper accountability and control of equipment within their ministries. Fulfillment of these responsibilities on behalf of the department head may be delegated to a ministry leader, however, the ultimate responsibility remains with the department head.
- b. The department head, or designations persons, acting as inventory liaisons will be responsible for issues related to the inventory to their areas to include provide access to all department physical inventories, report any changes of assets, and serve as a source of information regarding inventory policies and procedures for all ministry leaders (staff). The liaisons will be given advance written notice of scheduled inventory date(s) along with a copy of their current inventory for review prior to the actual physical inventory. The SMO will be copied on all correspondence.
- c. Specific responsibilities regarding FBCDH equipment are as follows:
 - Know the location of all equipment in their inventory and ensure that equipment is adequately safeguarded and secured from possible theft and other hazards. Report all changes in equipment location to the Trustee Board. This is critical for proper stewardship and good management practices.
 - All church property must be maintained onsite at FBCDH or its properties unless authorized by SMO and a Trustee Board Representative.
 - Assure that assigned equipment is being used for church business only.
 - Prepare proper forms requesting the transfer and/or disposal of equipment.
 - Provide assistance as needed to the SMO during the scheduled physical inventory count/reconciliation by providing access to locked or normally inaccessible areas and by helping to locate all equipment assigned to the department.
 - Exercise reasonable custodial care over the safeguarding of equipment to prevent the theft or loss of church property.
 - Assure that ministry leaders are informed that property for a specific individual's use remains church-owned property after they vacate the position or the position is terminated.

Inventory Control and Property Management Policies and Procedures Manual

- Adhere to all responsibilities, policies and procedures set forth in this manual.

4. Finance Committee

The Finance Committee is responsible for maintaining asset inventory records and depreciation schedules of capital equipment and property for asset valuation. Capital equipment is defined as an item of non-expendable tangible personal property, not permanently affixed to a building, having a useful life of two years or more and an acquisition cost of \$500 or more per unit. All equipment meeting this definition should be recorded on the church's equipment inventory and should be tagged with a control number for tracking purposes. Any questions regarding eligible equipment subject to inventory should be addressed to the Finance Committee for resolution.

5. Transfer of Responsibility

When a department head or ministry leader involved with equipment control vacates their position, the SMO will conduct a physical inventory of all property associated with that department. This inventory should be checked against the inventory control records. The temporary or permanent department head or ministry leader will assume responsibility of equipment control for their department or ministry.

D. Equipment Inventory Control and Property Management Procedures

All inventory is tagged with a barcoded inventory label and maintained on the FBCDH inventory control system. Exceptions to tagging an equipment item are if the item is too small for a tag or there is not reasonable space on the item available to tag. In cases where the equipment is too small to be tagged with a decal, the words "cannot tag" should be added to the inventory control record of the item.

1. Receipt and Tagging of Equipment

Ministry leaders are responsible for the receipt and inspection of equipment ordered. Once the item(s) has been accepted as in good order, a New Equipment Form (NE Form) is completed, signed by the ministry leader and sent to the department head and SMO. For any equipment item having an acquisition cost of \$500 or more and a useful life of two years or more, the NE Form should also be sent to the Finance Committee, specifically the Assistant Treasurer).

Upon receipt of the NE Form, the SMO will have the item tagged and entered into the inventory control system. A new report will be generated for that ministry or department and sent to the Trustee Board and department head.

Leased equipment (e.g., copiers, etc.) is considered a part of the asset inventory and is reported to the Finance Committee. Whenever a new, used, or leased piece of equipment arrives at or leaves your department, please contact both the Finance Committee and the Trustee Board to ensure that reporting of this asset is handled properly.

Inventory Control and Property Management Policies and Procedures Manual

2. Completion of Physical Inventory

A full physical inventory of the church will be performed at least once a year on the Inventory Input Form (*see* attachment A). The inventory is conducted by ministry leaders and the department liaison. At the conclusion of the inventory, the department head will receive a report containing a listing of any equipment not found/located. The department heads are required to review this report to determine the disposition any not found items. Each department is expected to complete the review within 30 days and submit the status of these items to the SMO. All missing items noted on the report will remain on a department's inventory records for two years. If the item is located during this time period, the SMO should be notified. At the end of the two year period, any items marked as missing will be programmatically removed from the inventory records. Items deemed as "missing" during physical inventory and not located within 10 days may result in a department's inability to purchase equipment.

Once the results of the inventory are reconciled at the department level, the inventory report must be signed by the department head and submitted to the Trustee Board, SMO and the Finance Committee.

3. Inventory Action for Non-Computer Related and Audio-visual Equipment

No equipment is to be removed from its assigned location without first obtaining the department head's signature on an Equipment Inventory Change Request Form (EICR Form) (*see* Attachment B). The EICR Form must be completed when equipment such as, but not limited to, chairs, desks, tables, file cabinets, musical instruments and equipment, classroom items, is permanently or temporarily moved to another location for more than 24 hours. The completed EICR Form must contain a description of the equipment, including tag and serial numbers and the new location(s) of the item(s). The completed EICR Form must be submitted to the SMO to update the inventory records for changes in equipment locations, status and condition.

4. Inventory Action for Computer Related and Audio-Visual Equipment

An EICR Form must be completed and signed by the department head when requesting the permanent or temporary transfer of computer related and audio-visual equipment for more than 24 hours and not to exceed 72 hours. This equipment includes, but not limited to, computers, CRT monitors, plasma and liquid crystal display screens, printers, keyboards, and audio visual equipment. The completed EICR Form must contain a description of the equipment, including tag and serial numbers and the new locations of the item. The completed EICR form must be submitted to the SMO to update the inventory records for changes in equipment locations, status and condition.

5. Trade-Ins, Returns and Replacements

When equipment is traded in, returned, or replaced by a vendor, both the SMO and Trustee Board must be notified immediately. An EICR Form must be completed indicating which item has been replaced or returned. The department head or ministry leader should retain a copy of all paperwork for their records.

6. Off-Site Equipment Loan Request

Under certain circumstances, a member of the church may temporarily remove FBCDH property for off-site church related purposes. An off-site Equipment Loan Form (EL Form) (*see* Attachment C) must be completed and approved by the department head Trustee Board prior to removal of any church-owned property.

Inventory Control and Property Management Policies and Procedures Manual

7. Acceptance of Donated Equipment

Donated equipment shall be accepted only if it has immediate valid use to FBCDH or a particular ministry within the church. Any equipment that is donated must be in working order and free of viruses, in the case of computer equipment. Equipment that is obsolete or non-working should not be accepted. If there is any question as to legal ownership of the donated equipment, proof of ownership may be required.

Anyone wishing to donate equipment to FBCDH should contact the SMO or Trustee Board.

8. Disposal of Property

The Trustee Board should be notified when any equipment, furniture, or other property is to be removed or designated for surplus. The disposal or surplus of property must be authorized by the Trustee Board. The Trustee Board will arrange all disposal options for equipment that is no longer of use to the department. In the event such a disposal becomes necessary, please submit an EICR Form signed by the department head to the Trustee Board. The EICR Form should include the barcode number and description of the property to be removed and the reason for removal.

9. Report of Lost, Stolen or Vandalized Property

Department heads and/or ministry leaders should report all missing, lost, stolen, or vandalized property immediately to the SMO and to the Trustee Board. The SMO will adjust inventory records for all reported and documented missing or vandalized items. If the property is returned or found, the SMO will update the inventory records with the appropriate status change. All adjusted inventory reports will be forwarded to the Trustee Board and Finance Committee.

10. Maintenance of Inventory Control System (or Program)

The inventory control system is managed by the SMO. The information maintained in the inventory control system contains data on major areas of acquisition, asset description and identification and custodial responsibility of church-owned property. The information required to be recorded includes the following:

- Purchase date;
- Received date;
- Serial number;
- Model number;
- Manufacturer;
- Description of equipment;
- Cost of equipment;
- Tag number;
- Department/ministry assigned equipment; and
- Location of equipment.

Please direct any questions or request for hard copies of any forms referenced in this manual to your departmental inventory liaison or the Trustee Board. Electronic copies of the forms are also located at www.fbcdh.org/leadership.

Inventory Control and Property Management
Policies and Procedures Manual

Attachment A

Inventory Control and Property Management Policies and Procedures Manual

PHYSICAL COUNT INVENTORY FORM									
PHYSICAL COUNT INVENTORY SHEET FOR									
ITEM #	[LOCATION] WHERE ITEM IS KEPT	DESCRIPTION	QTY	MODEL/BRAND	SERIAL NUMBER	STOCK NUMBER	YEAR PURCHASED	VALUE OF ACQUISITION (\$)	IF NEEDED (v)
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									

PHYSICAL COUNT BY (NAME & SIGNATURE)

APPROVED BY (MEMBER OF TRUSTEE) (NAME & SIGNATURE)

WITNESS (MIN. LEADER) (NAME & SIGNATURE)

Inventory Control and Property Management
Policies and Procedures Manual

Attachment B

Inventory Control and Property Management
Policies and Procedures Manual

Attachment C

