

# Mountain Province State Polytechnic College



## Supply Manual



*Supply and Property Management Office*

## I. INTRODUCTION

The Supply and Property Management Office (SPMO) is the overall in-charge in the acquisition of new properties and equipment, its utilization and the disposition of unserviceable or no longer needed equipment of the college.

As one of the Offices under the Office of the Vice President for Administration and Finance (VPAF), it is composed of three sections: (1)*Procurement Section*, (2)*Property Inventory and Disposal Section*, and (3)*Central Storeroom*.

As a service unit of the College, the SPMO is tasked to carry out the following general functions:

- Overall processing of procurement requests for supplies and equipment and their corresponding acquisitions;
- Maintenance of inventory stocks of basic office supplies and their issuances to various requesting department/units;
- Maintaining and updating of college property database (excluding library books);
- Disposal of unserviceable properties and equipment; and
- Processing of GSIS insurance payments for college properties.

This manual contains the policies and procedures for acquiring, using, maintaining, controlling and disposing of supply and property owned by Mountain Province State Polytechnic College. The purpose of this manual is to establish the policies and procedures to ensure smooth processing of procurement request, equitable and reasonable distribution of Supplies, Materials, and Equipment (SME's) and prevents loss, damage, theft and unauthorized use of college properties. It is the responsibility of all MPSPC employees to comply with the policies and procedures in this manual. It is the responsibility of the College President to ensure that these policies and procedures are implemented. If necessary, the College may appoint a person (or persons) to investigate any unreasonable distribution of supplies, loss, damage, theft and unauthorized use of college properties. Any such investigation shall be fully documented.

The policies and procedures have been written to conform with sound government practices, Financial Accounting Standards, and Republic Act 9184, otherwise known as the "Government Procurement Reform Act" and its IRR-A.

## II. DEFINITIONS OF TERMS

***Acknowledgment Receipts for Equipment (ARE)***. Forms to be filled up and signed by the receiving personnel before issuing equipment to Primary Users.

***Annual Procurement Plan (APP)***. It is a consolidation of all Procurement Project Management Plans for a procuring entity that is scheduled for

procurement for a calendar year. It shall also include provisions for foreseeable emergencies based on historical data/records. Implementation of projects not included in the APP shall not be allowed.

**Approved Budget or Approved Budget for the Contract (ABC).** Refers to the budget for the contract or approved budget of the procuring entity duly approved by the head of the procuring entity with an Appropriation in Annual or Supplemental Budget.

**Assets.** Assets means land, including land improvements, structures, and accessories thereto, but excludes movable machinery and equipment. These are maintained as separate records in the Supply and Property Management Office (SPMO).

**College Property.** College property is any kind of property that is not real property. College property may be tangible with physical presence; or intangible with no physical existence, such as trademarks, copyrights, patents, or securities.

**Computer equipment and software.** It includes all data processing, computing, microcomputers, and operating software when included with the purchase of the hardware.

**Contract deliveries.** It pertains to equipment that is purchased or constructed under a contractual agreement where the equipment is to be delivered by the contracting agency.

**Constructed scientific and technical equipment.** Includes all costs incurred to construct or assemble scientific and technical equipment used to accomplish a special purpose in the performance of a research project.

**Donated assets.** Assets acquired by gift or donation. The value of the asset is the Fair Market Value at the time of gift.

**Equipment.** It refers to an item of tangible college property used in an operation or an activity that meets the following criteria.

1. A useful life of 1 year or more and
2. A cost of 10,000.00 pesos or more per unit, including shipping charges and installation.

**Equipment tag.** An identification marker that is required to be affixed to all college inventorial and government or agency owned equipment. Some departments choose to tag non-inventorial equipment for internal purposes. This tag should be put in a visible place on the equipment.

**Extended warranty.** A purchase option for products through which the time period or extent of services is specifically extended or expanded beyond the manufacturer regular warranty period and conditions.

**Furniture and fixtures.** Includes general purpose furniture such as desks, chairs, cabinets and work units. It may also include draperies, rugs, lamps, etc.

**Government furnished equipment.** Equipment that the government has furnished to the College under a grant or contract where the ownership of the equipment remains with the government. These items must be tagged with an asset tag and the property records must show the government ownership.

**Inventory Custodian Slip (ICS).** Receipts issued to end users before getting Supplies /Materials with life and cost less than 10,000.00

**Maintenance Agreement.** A service agreement through which regular repairs and preventive maintenance services for specified products are performed by a supplier for a defined period of time and in accordance with the written document for maintenance to be provided.

**Modification and upgrades.** Parts or components acquired for an existing item of equipment that significantly increase the asset's value and/or useful life.

**"No Tag" Equipment.** An asset that meets the definition of equipment but is too small or delicate to affix a tag to. Common examples are art work, underwater equipment, software, or lenses. "No Tag" assets are treated the same as regular assets,

**Non-MPSPC Property.** Non-MPSPC property, in MPSPC's custody, will be identified in accordance with the terms and conditions of the applicable contract or grant. Any special inventory or reporting procedures specified will be brought to the attention of the Supply and Property Management Office.

**Office and Educational Equipment.** Includes equipment such as copiers, fax machines, and audio visual equipment.

**Original cost - donated assets.** The fair market or appraised value at the date of the gift. If market value or appraised value is not available, the gift will be recorded at the nominal value of Php. 1.00.

**Original cost - purchased equipment.** It includes the invoice price and the cost of any modifications, in transit, insurance, freight (to or from the college) and is reduced by any trade-in. Installation is also included when those costs can easily be identified with the equipment acquisition.

**Ownership.** The College has title to all equipment purchased on college accounts or transferred here from another institution unless it is specifically stated in a government grant or contract that the government retains title to the equipment purchased on that award.

**Ownership Code.** An alphabetic code maintained in the Property Management System that designates the owner of each piece of equipment.



**"Part of" Asset Number.** Asset/tag number of the main piece of equipment that incorporates other pieces of equipment that were purchased separately.

**Physical Inventory Date.** Date of the last physical inspection of equipment.

**Primary User.** The person who actually uses the equipment.

**Procurement Project Management Plan (PPMP).** It is a procurement plan for goods, infrastructure projects and consulting services that shall specify the type of contract to be employed, extent/size of contract, scope/packages, the procurement methods to be adapted, (indicating if the procurement task is to be "outsourced"), time schedule for each procurement activity and the estimated Budget for each procurement.

**Property Trust Relationship.** Although title to equipment and most real property vests in the recipient (MPSPC) upon acquisition, this does not mean that MPSPC owns the property outright. Whenever a government funded grant or a cooperative agreement has been received, (real property, equipment, intangible property, and debt instruments) that are acquired or improved with government fund or other sources of funds should be held in trust by MPSPC as trustees for the beneficiaries of the project or program under which the property was acquired or improved.

**Replacement Parts.** Parts or components acquired for normal repair and maintenance that are recurring and regular in nature.

**Request and Issuance Slip (RIS).** Receipts issued to end users for consumable supplies.

**Scientific and Technical Equipment.** Includes special purpose equipment used for research, medical, scientific, or other technical activities.

**Screening.** Procedure to assure avoidance of purchasing unnecessary or duplicative equipment.

**Shop Machinery and Tools.** Includes lathes, drills, milling machines etc., used in the college machine shops.

**Supplies.** Supplies mean all college property, excluding equipment and intangible property. (e.g., property with an acquisition cost of 9,999.00 or less).

**Telecommunication Equipment.** Equipment, cabling, switches, etc. used by the college to operate the college telephone system.

**Theft Insurance Program.** A voluntary insurance program providing theft coverage for electronic, computer or other valuable items less than 10,000 per item.

### III. TYPES OF EQUIPMENT ACQUISITIONS

#### a. Accessory and auxiliary items:

A new property record will be established at the Supply and Property Management Office (SPMO) for accessory or auxiliary items that cost 10,000 or more per item. The Asset Number of the equipment that the accessory or auxiliary item is "Part of" is referenced. Accessory and auxiliary items purchased separately, and cost less than 10,000 per item, will not be added to the Property records.

#### b. Constructed equipment:

A single property record is created at the SPMO for all charges incurred in constructing a piece of equipment during a fiscal year. If the construction period continues for more than one fiscal year, a separate property record will be created with asset number for each additional fiscal year's charges. These subsequent asset numbers should reference the Asset Number of the initial year's constructed equipment charges in the "Part of" reference field.

#### c. Leased equipment:

Equipment operating leases are not added to property records. They should be charged to the Equipment Lease subaccounts.

#### d. Purchased equipment:

Equipment purchased is added to property records if it meets the definition of equipment.

A single property record will be created at the SPMO for equipment purchases that include many individual items that work together as a unit and are purchased as a "lot" with a single price for the entire lot. An asset number will be assigned.

#### e. Software:

Purchased or developed software will be added to Property records when it meets the capitalization definition found. Software will be assigned an asset number.

#### f. Transferred equipment:

Equipment transferred to the Mountain Province State Polytechnic College from another institution will be added to property records if a value can be established that meets the definition of equipment.

#### g. Equipment modifications and upgrades:

Modifications and upgrades will be added to the property records if the item meets the equipment definition. Internal modifications or upgrades will be

established as a property record using an asset number. The asset number of the equipment that the modification or upgrade is "Part of" should be referenced. External modifications and upgrades will be established as a property record with an appropriate Asset/Tag Number and the Asset Number of the equipment that the modification or upgrade is "Part of" should be referenced.

Modifications or upgrades items with an acquisition cost less than 10,000 will not be added to the equipment records.

**h. Replacement parts:**

Replacement parts are not considered part of the cost of equipment and are not added to property records.

**IV. PROCUREMENT PROCEDURES**

**A. Budget Preparation**

1. Based on the College Plan, the Executive Budget is prepared.
2. The Budget includes the requirements for commonly-used supplies/materials; equipment; infra projects/civil works.

**B. Budget Authorization**

1. The budget is approved.
2. The Approved Budget for the Contract is contained in the budget

**C. Budget Execution**

1. The end-users prepare the PPMP.  
(October)
2. The BAC Secretariat consolidates the PMPPs into an APP.  
(November)
3. The Head of the procuring entity approves the APP.  
(December)
4. Contract implementation/delivery by the winning bidder.  
(Year round)

**D. Steps in the Procurement Process**

*Note: Only supplies approved in the Annual Procurement Plan shall be processed.*

The preparation and updating of the PPMPs shall be the responsibility of the respective departments/units or end-user of the procuring entities. The consolidation of these PPMPs into an APP shall be lodged with the BAC Secretariat of the procuring entity. These units may avail of the services of technical experts to review the APP.

<b>PROCUREMENT PROCESS FOR SME'S</b>			
<b>STEP</b>	<b>ACTIVITY</b>	<b>OFFICE INVOLVED</b>	<b>DURATION</b>
Step 1	List down all supplies, materials and or equipment needed on the Temporary Purchase Request form provided by the SPMO	Requisitioning Office	1 hour
Step 2	Review of requested SME's if accommodated in the APP and if not available at the central storeroom	SPMO/BAC secretariat	1 hour minimum
Step 4	If requested SME's are present in the APP and not available at the central storeroom, Purchase Request will be prepared	BAC secretariat	
Step 3	Preparation of Budget Utilization Request	Budget Office	1 day
Step 4	Check Availability of Supplies (DBM depot)	BAC secretariat	2 days
Step 5	Preparation of circular proposals/bid documents	BAC secretariat	3 days
Step 6	Mode of Procurement  a) Bidding  b) Shopping  c) Negotiated Purchased d) Repeat Order e) Exclusive Distributorship f) Direct Purchase	Bids and Award Committee  Note: Regular BAC meetings will be Tuesdays and Thursdays. Special BAC meetings may be held when the need arises	1 week 30-90 days (if bidding is not a failure)  1 week to 2 weeks 1-2 weeks 1 week 1-2 weeks 1-2 weeks
Step 7	Bid Opening	BAC	1 day
Step 8	Preparation of Abstract of Bids	BAC secretariat	1 days after BAC meeting
Step 9	Post-Evaluation by TWG ( <i>if applicable</i> )	BAC/TWG	3 days
Step 10	Awarding of Contract	OP	3 days
Step 11	Delivery of Contract of Award	SPMO	1 day – 2 days
Step 12	Delivery of Supplies or Equipment	Supplier/SPMO	1-15 days (depending on delivery date)



Step 13	Inspection of Supplies and Equipment	Requisitioning Office/SPMO/Inspection Team/COA	1 day
Step 14	Submission of Inspection report	SPMO	1 day
Step 15	Preparation of Payment Voucher	Accounting	1 day after delivery
Step 16	Authorization of Payment (signing of Vouchers)	Accounting/OP	1 day
Step 17	Preparation of Checks	Cashier's Office	4 hours
Step 18	Disbursement of Payment	Cashier's Office/Supplier	4 hours

<b>SME'S CARRIED IN STOCK</b>			
<b>STEP</b>	<b>ACTIVITY</b>	<b>OFFICE INVOLVED</b>	<b>DURATION</b>
Step 1	List down all supplies needed on Supplies Availability Inquiry (SAI) and Requisition Issue Slip (RIS)	Requisitioning Office	15 minutes
Step 2	Numbering of RIS	SPMO	5 minutes
Step 3	Certifying whether stocks are available or not	Accounting office	15 minutes
Step 4	Preparation of Requisition Issue Slip (RIS)	SPMO	10 minutes
Step 5	Releasing of Supplies	SPMO & Requisitioning Office	10 minutes minimum
Step 6	Recording of Supplies Issued	SPMO	15 minutes
Step 7	Submission of Summary of Supplies and Materials Issued	SPMO and Accounting Office	Monthly

## **V. PROPERTY MANAGEMENT**

### **A. Roles, Responsibilities and Accountability**

Generally, applicable provisions of Rule 19, (Utilization of Supplies and Property) and Rule 20 (Accountability for Supplies or Properties), all under Title IV (Utilization and Accounting) of the Commission on Audit Circular No. 92-386 (Rules and Regulations on Supply and Property Management in the national Governments) shall be the bottom-line for the management of Supplies and Properties with emphasis on the accountability to whom these are being issued.

#### **a. Responsibilities**

The person in actual possession of the supplies or property or entrusted with its custody and control shall be responsible for the proper use, reasonable care and maintenance of the college property. The Supply officer shall be responsible for maintaining a complete, up-to-date property control log of MPSPC owned property.

**a.1 Primary user's responsibilities:**

a.1.1 To ensure that equipment is used in a way that is consistent with the purpose for which it was acquired and shall exercise due diligence in the utilization and safekeeping thereof.

a.1.2 To take precautions to protect equipment under their responsibility from theft or damage.

a.1.3 To inform the Supply and Property Management Office of changes in the location, status, condition or disposition of the equipment for which they are responsible.

a.1.4 To keep a complete and updated record of the same and shall render an account or inventory thereof semi-annually to the head of department or office concerned.

**a.2 Department's responsibilities:**

a.2.1 To make certain that the primary users are complying with the procedures and policies contained in the Supply and Property Management Manual.

a.2.2 To designate an individual as its Equipment Coordinator, who will function as a liaison between the department and the Supply and Property Management Office.

a.2.3 Notifying Supply and Property Management Office of any equipment transactions disposals, theft or changes in the status or location of equipment.

a.2.4 It shall be the duty of every head of the department/unit or office to turn over to the Supply and Property Management Office (SPMO), as the case maybe, excess properties for re-issuance to other departments or offices.

a.2.5 It shall be the duty of every head of department or office to keep a complete record of all supplies or properties under his or her charge and render his accounts or inventories thereof semi-annually to the Supply and Property Management Office.

**a.3 SPMO responsibilities:**

- a.3.1 To inform college personnel of the policies and procedures regarding the content of the Supply and Property Management Manual.
- a.3.2 Screening departmental property records before requesting additional supplies, materials, and equipment.
- a.3.3 Tagging newly acquired assets and filling up the equipment information forms at the Supply and Property Management Office.
- a.3.4 Taking the physical inventories.
- a.3.5 Providing information as requested for required government reports.
- a.3.6 Developing and enforcing the policies and procedures contained in this manual.
- a.3.7 Recording property transactions.
- a.3.8 Notifying other institutions when equipment is being transferred to them.

## **B. Accountability for Supplies and Properties**

### **a. Primary and Secondary Accountability for Supplies and Properties**

Every head of department or office in the college shall be primarily accountable for all supplies and properties assigned or issued to his or her department or office. The personnel entrusted with the possession or custody of supplies and properties under the primary accountability of the head of the department or office shall be immediately accountable to said officer. The head of a department or office shall require the person in possession or having custody and control thereof under him or her to keep such records and make reports for his or her own information and protection.

### **b. Transfer of Accountability**

Transfer of non-consumable materials and equipment from the SPMO to any employee shall be covered by Acknowledgment Receipt for Equipment (ARE) or Inventory Custodian Slip (ICS) to be prepared in such number of copies as are necessary showing the complete descriptions of the supplies and properties. Transfer for consumable supplies from the SPMO to the Department/Unit head shall be covered by Request and Issue Slip (RIS). Transfer of consumable supplies from the department/Unit head to the end-user shall be covered by (RIS). A copy of the (RIS) issued by the department head shall be submitted to the SPMO by the department head before requesting for another set of the particular supplies consumed.

### **c. Notice of Loss and Application for Relief**

When loss of government supplies or properties occurs, it shall be the duty of the officer immediately accountable or having custody thereof to immediately notify the Supply and Property Management Office. The office or department head shall immediately conduct a preliminary investigation of the loss and refer the matter to the proper government investigating agency. An officer or employee who fails to comply with the requirement shall not be relieved of liability or allowed credit for any such loss in the settlement of his or her accounts.

The request for relief shall be filed with the College Auditor by the accountable officer within the statutory period of thirty (30) days or of such longer as maybe allowed. In general, the request shall be accompanied by the following documents:

1. The basic notice of loss showing the exact date of filing and receipt in the office of the auditor concerned;
2. Affidavit of the accountable officer containing a statement of facts and circumstance of the loss;
3. Affidavits of two (2) disinterested parties cognizant of the facts and circumstances of the loss;
4. Final investigation report of the office or department head, proper government investigating agency and the auditor on the facts and circumstances surrounding the loss;
5. A list and description including the book value, date of acquisition, property number, account classification, condition of the property, and other additional relevant information of the properties lost duly certified by the Supply and Property Management Office.
6. Latest inventory and inspection report preceding the loss and inventory report of properties remaining after the loss duly witnessed by the College Auditor;
7. A comment and/or recommendation of the College President on the request; exact or accurate amount of government cash or book value of the property subject of the request for relief; and
8. Acknowledgment Receipt of Equipment (ARE) covering the properties subject of the request.

The request for relief shall be coursed through the office of the department/Unit head concerned and (SPMO) for their comment and recommendation.

In case of bulk losses of supplies or properties pertaining to more than one (1) office or department, the request for relief shall be made by the Supply and Property Management Officer. The request shall also be accompanied by the latest inventory report preceding the loss and inventory report of properties remaining after the loss duly witnesses by the College Auditor.

In all cases, the request shall be endorsed by the College President together with his or her recommendations to the College Auditor.

If the occurrence of the loss has also been reported to other police agencies, the final investigation report thereon should be submitted.

#### **d. Additional Information on Certain Cases**

In cases where the loss of government properties is due to fire, theft, robbery/hold up, force majeure (earthquake, typhoons, etc.), the request for relief shall be accompanied by the documents hereunder enumerated in addition to those previously required:

##### **d.1. Fire**

1. The final report of the Local Police/Fire Department or Station on the incident;
2. List or inventory of burned or destroyed properties as well as those properties retrieved after the fire, stating therein the acquisition cost/book value of each item duly verified by the College Auditor;
3. Authenticated picture or pictures showing the site/office or government properties razed by the fire; and
4. Fire insurance policies, if any covering subject properties.

##### **d.2. Theft or robbery/hold up**

1. The final police report on the theft or robbery case;
2. Detailed list of government properties lost or destroyed as well as those properties retrieved after the robbery incident disclosing the book value of each item or exact amount of government money/cash involved, duly certified by the College Auditor; and
3. Authenticated picture or pictures taken relative to the incident.

##### **d.3. Force majeure**

1. Detailed list/inventory of lost or destroyed government properties or lost cash, as well as those properties retrieved after the calamity, duly verified by the College Auditor; and
2. Certification of the proper official of the local PAGASA or other similar government agency on the actual occurrence of the calamity specifying therein the approximate or exact time the incident happened and the areas or places affected thereby.

#### **C. Internal Policies**

College policy does not allow equipment to be purchased for the personal needs of an employee, student or other person, even though the individual offers to reimburse the college for the item.

##### **c.1 Receiving Supplies, Materials, and Equipment and Payment of Invoices:**

c.1.1 When SME's are received, the SPMO will notify the end user and the inspection committee to inspect delivered SME's and inspect it immediately based on specified specifications. If the SME's are



satisfactory the inspection and acceptance report will be prepared and attached to the procurement document for processing.

c.1.2 If the item is damaged or unacceptable for any reason, follow the instructions on the Inspection Report form, if purchased at a college store, bring it to their attention.

## **c.2 Requisitioning Procedures:**

c.2.1 To ensure the avoidance of purchasing unnecessary or duplicative supplies materials and equipments, the requesting department/unit are responsible for screening (reviewing) departmental/unit SME's reports before requesting SME's to determine if similar and suitable items are available in the department that would make it unnecessary to acquire an additional item of SME's.

c.2.2 The Supply and Property Management Office further review Department/Unit reports on SME's to determine if similar SME's is available for use.

c.2.3 If no similar SME's is available, the SPMO then include it on the next procurement process if included in the APP.

c.2.4 For emergency purchases, it must be first approved by the head of the procuring entity

c.2.5 Supplies and materials that are not included in the annual procurement plan but are necessary in the conduct of an activity shall be requested two (2) weeks before the said activity and must be approved first by the head of the procuring entity.

c.2.6 Request for SME's outside of the APP shall be accommodated in the next review of the annual procurement plan.

## **c.3 On specifications of Supplies, Materials and Equipment Requested**

c.3.1 It is the sole responsibility of the requesting personnel to place the right specifications of SME's being requested.

c.3.2 Failure of the supplier to deliver SME's due to unclear or discrepancy of the SME's requested which make it un-available in the market will be the responsibility of the requesting personnel.

c.3.3 All bid supplies should be delivered by the supplier following the exact specifications listed in the purchased order.

## **c.4 On Issuance of Supplies, Materials, and Equipment (SMEs):**

c.4.1 SME's will only be issued to the unit who requested the SME's.

c.4.2 Equipment, Materials and Supplies shall be issued only to permanent employees after signing the Acknowledgment Receipts for Equipment(ARE), Inventory Custodian Slip(ICS), Request and Issuance Slip(RIS).

c.4.3 No equipment or materials should be used or borrowed if not yet issued to the end-user unless the equipment is for general use and to be kept at the supply office.

c.4.4 For consumable goods:

c.4.4.1 The department chairmen/unit heads shall sign first the Request and Issuance slip (RIS) issued by the SPMO before getting consumable goods.

c.4.4.2 The department head/ Unit head is responsible for equitable distribution of goods to his/her staff and or clientele.

c.4.4.3 The department head/ Unit head shall issue departmental RIS to be signed by the end user before getting the supplies

c.4.4.4 The department head/ Unit head shall present the Departmental RIS duly signed by the end-users to the SPMO before availing of another batch of supplies of the same nature.

c.4.5 No Supplies, Materials and Equipment should be issued to all employees if such requested SME's is not needed in the performance of his/her work task.

## **c.5 On Staff Provided Property**

c.5.1 MPSPC may provide certain property (e.g., desktop computers, other equipment) to its employees to assist in MPSPC work-related activities in the offices. Employees must complete an Acknowledgement Receipt for Equipment Form to acknowledge receipt of any equipment.

c.5.2 Any provided property will be used and maintained in a proper manner. It is the responsibility of the primary user to replace any lost or provided property and to bear the cost of repair for damage property if found to be caused by negligence.

c.5.3 Whenever designated personnel are relieved of their post, they shall turnover their office equipment to the supply officer to be re-issued to the next designee in that particular office.

c.5.4 All faculty and staff who are going on long term vacation and on full time study leave shall surrender all equipment and unused supplies

and materials issued to them as indicated in the RIS/ICS/ARE that they signed to the Supply Office before the signing of their clearance.

c.5.5 Employees who are not using equipment and materials issued to them in the performance of their task are advised to return the equipment to the supply office and to be issued to employees who will need the equipment in the performance of their work task.

c.5.6 Personnel provided properties are not for exclusive use of the primary user but it can be borrowed by other personnel to be used in work related activities. Failure to lend the equipment could be a ground for retrieval of such property and to be place in the custody of the SPMO

#### **c.6 On the use of equipment not issued to personnel:**

c.6.1 All employees using college properties like photocopying machines, LCD and others issued to a particular office shall sign in the logbook provided for users.

c.6.2 Equipment, other supplies not in custody of any office can be barrowed at the Supply and Property Management Office and to be returned immediately after using.

c.6.3 It is the responsibility of the Supply and Property Management Officer to inform all college personnel of any new acquisitions of equipment for general use and to formulate guidelines in the proper use of the equipment to ensure its maximum utilization

#### **c.7 Loaned Property**

c.7.1 MPSPC may loan out certain property (e.g., chairs, power tools, etc.) to its employees, contractors, and other private individuals subject to the policies under income generation.

c.7.2 If any employee, contractor, or other private individuals borrows MPSPC property, then they must complete and sign a Loaned Property Form.

c.7.3 The property recipient shall retain a copy of the Loaned Property Form, another copy shall be provided to the office of the College President for information purposes. The SPMO shall keep a copy of the Loaned Property Form with the property record log.

c.7.4 Any borrowed property will be used and maintained in a proper manner.

c.7.5 MPSPC has the option to lend or not any equipment to certain borrowers for any justifiable reasons. The college will generally not loan out its property to irresponsible borrowers.

### **c.8 Relocation of Equipment**

The department/Unit/end-users should notify the Supply and Property Management Office of any changes in location of equipment issued to them.

### **D. Recordkeeping.**

A property control log will be maintained in the supply office for each piece of real property or equipment that MPSPC owns or has under its care.

**d.1 Property class:** Identifies the different types of equipment classifications:

1. Computer Equipment and Software
2. Constructed Scientific and Technical Equipment
3. Furniture and Fixtures
4. Miscellaneous Equipment
5. Office and Educational Equipment
6. Scientific and Technical Equipment
7. Shop Machinery and Tools
8. Telecommunication Equipment
9. Vehicles

**d.2. Property number:** The unique number assigned to each item in the Supply and Property Management Office.

1. "\_\_\_\_\_" number: The number found on the tag issued for equipment owned by the government and used by the Mountain Province State Polytechnic College under Government Grants and Contracts.
2. "\_\_\_\_\_" number: Temporary asset number that is assigned in the (SPMO) to identify a piece of equipment until the permanent asset/tag number is assigned by the unit.
3. "\_\_\_\_\_" number: Asset number assigned to equipment items that cannot be physically tagged because of the nature of the equipment. Some examples are internal parts to equipment and components of constructed equipment.
4. "\_\_\_\_\_" Asset number: The number found on the tag issued for equipment items owned by MPSPC.

**d.3. Building number:** Alpha-numeric number identifying the building name and location as defined in the space database maintained by MPSPC-SPMO.

**d.4 Condition codes:** A Supply and Property Management Office code describing the operating condition of the equipment item.

1. "S" Serviceable, the item is actively used in departmental/unit activities.

2. "NS" Non-serviceable, the equipment item still exists but cannot be used without repairs, technological updates, or other reasons.

**d.5 Class code:** The 4 digit number assigned to each Property Class in SPMO.

**d.6 Real Property.** For each piece of real property owned, leased, or held in trust the property control log shall contain the following information:

1. Description of the real estate, with copy of the plat; status of title;
2. Date of acquisition and price;
3. Location of real estate;
4. Date of last inventory;
5. Copy of insurance policy;
6. Status on disposition of the property.

**d.7. Equipment.** For each piece of equipment owned, leased, or held in trust the property control log shall contain the following information:

1. Description of equipment;
2. Manufacturer's serial number, model number, or other identification number (e.g., MPSPC sticker number);
3. Procurement authorization;
4. Date of acquisition and price;
5. Current location and condition of equipment (and date this information was established); and
6. Copy of any warranty and maintenance agreements.

**d.7.1 Purchased Equipment Transactions:**

Only expenses that meet the equipment/software definition should be charged to the Equipment subaccounts in the Supply and Property Management Office.

After receipt of new purchased college equipment, the SPMO should:

1. Make a record of the full description of the equipment.
2. Place an equipment tag on the equipment in a visible location.

**d.7.2 Constructed Equipment Transactions:**

The procedure for recording expenses for an item of constructed equipment is as follows:

1. At the beginning of the construction period, the department/unit should request the Supply and Property Management Office to



- enter a description line on a unique subaccount that identifies the item of constructed equipment.
2. This subaccount should be used to accumulate all of the charges for a unique piece of constructed equipment. The Supply and Property Management Office will assign an Asset/Tag number as part of the subaccount description line for the piece of constructed equipment. This will be the identifier for the entire piece of constructed equipment.
  3. At the end of each fiscal year, the Supply and Property Management Office will notify the department of the charges accumulated for each constructed equipment subaccount for that fiscal year and assign an asset number. The total project's asset number will be referenced as the asset that this is "Part of".

#### **d.7.3 Leased Equipment:**

Equipment operating leases are not added to property records. They should be charged to the Equipment Lease Subaccounts.

#### **d.7.4 Donated Equipment Transactions:**

When a gift of equipment is received by a department/unit, the department/unit must notify the Supply and Property Management Office and forward:

1. All related gift correspondence from the donor
2. An appraisal if available
3. A deed of donation fully accomplished by the donor
4. Full description of the donated equipment

The Supply and Property Management Office will make certain that:

1. The proper accounting entries are made to record the gift and the asset in the SPMO.
2. Equipment tags are issued, and a property record is created.

#### **d.7.5 Government furnished Equipment**

When a Government supply agency issues equipment directly to the college, the Supply and Property Management Office make a record of the equipment with the following information:

1. Asset description
2. Location, building, corridor, room
3. Department
4. Serial number
5. Model Number
6. Original cost
7. Acquisition date
8. Ownership

The SPMO will place equipment tag to be placed on the equipment. The equipment information will be entered in SPMO with an ownership code indicating that this equipment is owned by the Government.

#### **d.8 Tagging Equipment**

##### **d.8.1. Tagging Information:**

1. Tag number (If it is not possible to place a tag on the equipment, please indicate such, and an asset number will be assigned by SPMO.)
2. Part of asset number (if applicable)
3. Building
4. Room
5. Corridor
6. Movable/fixed
7. Manufacturer
8. Model number
9. Serial number
10. Ownership
11. Description

## **VI. PHYSICAL INVENTORIES**

Physical inventories are performed annually. The following information is verified or collected for the items that are being inventoried:

1. Asset/ tag number
2. Department number
3. Location, building, floor, corridor, and room number
4. Usable/not usable
5. Description

#### **a. Frequency of Inventories**

A physical inventory of all property maintained on the property control log shall be taken at least once per calendar year. Inventories may also be taken whenever an employee responsible for equipment is replaced, or an inventory is requested by the college management.

#### **b. Responsibility for Inventories**

The physical inventory shall be taken by the Supply and Property Management Office personnel assigned to the particular financial, procurement, or property management operations will conduct inventories. The results will be reconciled with the equipment and financial records. If necessary, then the College President may appoint a person (or persons) to investigate any loss,

damage, or theft of property. Any such investigation shall be fully documented.

**c. Property to be Inventoried**

The inventory will include all property classified as real property and equipment, with an acquisition cost of 10,000.00 pesos or more, and any items designated by the College management (e.g., property that has been loaned and non- MPSPC property).

**d. Current Utilization of Inventoried Property**

The College President with the assistance of the SPMO shall be responsible for reviewing the current utilization and current need of all inventoried equipment.

**e. Reporting Loss of Equipment**

If MPSPC has any equipment that is owned by other government agencies and the equipment was lost, damaged, or stolen, then the SPMO immediately report the results to the College President. The College President will be responsible for promptly notifying the appropriate government agency with whose funds the equipment was purchased.

**VII. SECURITY AND MAINTENANCE**

**a. Policy**

It is MPSPC's policy to implement adequate maintenance procedures to ensure that equipment is kept in good working condition by performing preventative and corrective maintenance on a periodic or as needed basis.

**b. Responsibility for Maintenance**

As necessary, MPSPC shall contract with maintenance companies to maintain its equipment in good working condition. Responsibility for these contracts shall rest with the College President and the Supply and Property Management Officer.

**c. Documenting Maintenance**

The Supply and Property Management Officer shall be responsible for monitoring equipment maintenance. The SPMO shall ensure that a record is maintained and kept current of all maintenance performed, including ensuring that the maintenance repair-person leaves a written record of his/her work and/or signs a maintenance log.

**d. Warranties**

The SPMO shall be responsible for monitoring equipment maintenance. The SPMO shall ensure that all warranties are kept current and a copy of the warranty is maintained in the property control log. If equipment is damaged, the Supply Officer must report immediately to the supplier the damage incurred for possible application of the warranty agreement.

#### **e. Security**

Each member of the staff has a general obligation to safeguard and make appropriate use of properties and equipment either assigned for individual or group use.

Each department must ensure that there are reasonable security measures implemented in their areas to prevent theft, damage or misuse of equipment. The head of the department or office must play an integral role relative to these issues. Relative hereof, safeguarding of property includes, but is not limited to:

1. Notifying the appropriate Property Custodian of the acquisition, movement or disposal of property;
2. Exercising reasonable care and security measures to prevent theft, misuse, or damage and maintain assets in good condition;
3. Provide adequate protection for equipment during movement, storage or while being used;
4. Ensure that equipment is properly stored and secured when not in use; and,
5. Reporting lost, stolen, damaged or otherwise impaired property to appropriate parties, including but not limited to a direct supervisor using appropriate institutional forms

#### **F. Insurance**

It is MPSPC's policy to insure all property and equipment, as defined in this manual, whether purchased with other government agencies funds.

##### **f.1 Blanket Property Insurance:**

The College should explore possibilities to secure and maintain a blanket property insurance program which covers physical damage to the college owned properties.

##### **f.2 Employee's personal property:**

The college does not insure employee personal property. Employees who bring personal property to the work place should make sure that they have adequate insurance on their property.

### **VIII. PROPERTY DISPOSAL PROCEDURES**

## **A. General Policy**

It is MPSPC's policy to adhere to any special terms, conditions, and requirements for disposal of equipment purchased.

### **a.1 Government Owned Equipment:**

Government approval must be obtained before Government owned equipment can be:

1. Declared surplus
2. Discarded as junk
3. Sold
4. Salvaged for parts and components
5. Traded-in
6. Transferred to another institution

### **a.2 As an Institutional Policy**

#### **a.2.1 Disposals:**

1. Departments/Units must notify the Supply and Property Management Office when the equipment in their area is stolen, destroyed, discarded as junk, or salvaged for parts and components.

2. The Supply and Property Management Office will then process the disposal of unserviceable equipment following government rules and regulations.

## **IX. REPORTS**

In accordance with government rules and regulations, the Supply and Property Management Office is responsible for maintaining a permanent detailed record of all fixed and moveable equipment used by the college and owned by the college or other government agencies.

### **A. Annual Reports**

#### **a.1 Inventory/Screening Report**

The Supply and Property Management Office provides 3 complete inventory lists annually. Copies will be given to concern department/units, the Office of the President and a copy of the SPMO. The purpose of these reports is to help departments/units do screening to avoid buying duplicative equipment and to aid in reporting information for trade-ins, equipment transfers, disposals, and location changes. These reports are a listing all the equipment on record in that department/unit by:

1. Asset/tag number order
2. Building, room number order



**a.2 Fully Depreciated Equipment Under 10,000.00****Report:**

The Property Management Section will send out a report listing all fully depreciated equipment under 10,000.00 pesos. This equipment will be deleted from the Supply and Property Management Office after following government rules and procedures on disposal of government property.

**a.3 Physical Inventory of Property Reports:**

The Supply and Property Management Office will submit reports listing the equipment items that are to be located in the department/unit and other offices and the procedures and instructions for taking the inventory.

**b. Monthly Reports**

The Supply and Property Management Office will send out information for Supplies/materials and equipment purchases and issuance made in the previous month.

**c. Special Reports**

Contact the Supply and Property Management Office for information regarding special reporting needs.

**X. FINAL PROVISIONS****a. Amendment**

For purposes of congruency and relevance, this manual may be amended through the recommendation of the Director of Supply and Property Management to the College President who will endorse the same for the deliberation and subsequent approval of the Administrative Council.

**b. Repealing Clause**

All other guidelines of the same purpose, issued in full or in part by the College, if any, contrary to or inconsistent with any provisions of this manual is hereby repealed, modified or amended accordingly.

**c. Separability Clause**

If there are any provisions in this manual, or application of such provisions to any circumstance, is found to be invalid and unlawful, the other provisions not affected thereby shall remain valid and subsisting.

**d. Effectivity Clause**

The provisions of this manual shall take effect upon the approval of the Board of Trustees.

**References:**

1. Handbook on Property and Supply Management System  
(Commission on Audit)
2. RA 9184
3. Baguio City General Services Office Frequently Asked Questions  
Fri, 12/01/2006 - 08:00 — web admin
4. Commission on Audit Circular No. 92-386  
(Rules and Regulations on Supply and Property Management  
in Local Governments)
5. The University of Chicago, Office of the Comptroller  
(Property Management Manual)

