

Book	Policy Manual
Section	EDGAR for the Board
Title	Revised PROPERTY INVENTORY
Code	po7450
Status	
Adopted	January 28, 2004
Last Revised	March 20, 2018
Prior Revised Dates	Revised 5/24/16

**Revised Policy - Vol. 43, No. 1 - UGG/EDGAR Revisions**

**7450 - PROPERTY INVENTORY**

As steward of this District's property, the Board of Education recognizes that efficient management and full replacement upon loss requires accurate inventory and properly maintained property records.

The Board shall maintain a continuous inventory of all Board-owned equipment and supplies and the results reconciled with the property records at least once  annually ~~( ) every \_\_\_\_\_ ( ) years [specify number, Federal regulations require at least once every two (2) years] ( )~~ at such intervals as will coincide with property insurance renewal ~~( )~~ and G.A.A.P. reporting requirements ~~[END OF OPTIONS].~~

For purposes of this ~~policy,~~ ~~policy~~ equipment shall mean **tangible personal property (including information technology systems),** a unit of furniture or furnishings, an instrument, a machine, an apparatus, or a set of articles which retains its shape and appearance with use, is nonexpendable, **having a useful life of more than one (1) year and a per-unit cost that equals or exceeds costs at least \$5000** for reporting purposes and does not lose its identity when incorporated into a more complex unit. When defining supplies for inventory purposes, no items will be counted whose total value is less than \$ ~~\_\_\_\_\_~~ **5,000 [ENTER AMOUNT]**. Items with a \$500.00-\$4,999.00 value with a life of five (5) years or more should be tagged for insurance purposes. **[DRAFTING NOTE: The Federal regulation (2 C.F.R. 200.439) allows for a \$10,000,000 threshold. Capital expenditures with a unit cost of \$10,000,000 or more require prior written approval of the Federal awarding-agency or pass-through entity.]**

It shall be the duty of the Treasurer to ensure that inventories are recorded systematically and accurately and property records of equipment are updated and adjusted annually by reference to purchase orders and withdrawal reports.

Major items of equipment shall be subject to annual spot check inventory to determine loss, mislocation, or depreciation; any major loss shall be reported to the Board.

Property records of consumable supplies shall be maintained on a continuous inventory basis.

The Treasurer shall maintain a system of property records which shall show, as appropriate to the item recorded, ~~the~~:

- A. ~~description and identification~~ **(serial number of other identification number);**
- B. year of purchase;
- C. ~~initial cost;~~
- D. ~~location;~~
- E. ~~condition and depreciation;~~
- F. evaluation in conformity with insurance requirements.

The District is responsible for maintaining and updating property records when there is a change in the status of the property.

Equipment acquired in whole or in part under a Federal award will vest upon acquisition to the District, subject to the following conditions:

- A. The equipment shall be used for the authorized purposes of the award project during the period of performance or until the equipment is no longer needed for the purposes of the project.
- B. While the equipment is being used for the originally-authorized purpose, the District (or subrecipient) must not dispose of or encumber its title or other interests without the approval of the Federal agency or pass-through entity. ~~The equipment shall not be encumbered without the approval of the Federal awarding agency or the pass-through entity.~~
- C. The equipment may only be used and disposed of in accordance with the provisions of the Federal ~~awarding~~ agency or the pass-through entity and Policy 7300 - Disposition of Real Property/Personal Property and Policy 7310 - Disposition of Surplus Property, (x), and AG 7310 - Disposal of Nonfixed-Asset Property [END OF OPTION].
- D. The District must use equipment for the project or program for which it was acquired and for as long as needed, whether or not the project or program continues to be supported by the Federal award. The District must not encumber the equipment without prior approval of the Federal agency or pass-through entity.
- E. When no longer needed for the original project or program, the equipment may be used in other activities in the following order of priority:
  1. activities under other Federal awards from the Federal agency that funded the original program or project; then
  2. activities under Federal awards from other Federal agencies. These activities include consolidated equipment for information technology systems.
- F. During the time that equipment is used on the project or program for which it was acquired, the District must also make the equipment available for use on other programs or projects supported by the Federal Government, provided that such use will not interfere with the purpose for which it was originally acquired. First preference for other use of the equipment must be given to other programs or projects supported by the Federal agency that financed the equipment. Second preference must be given to programs or projects under Federal awards from other Federal agencies. Use for non-Federally funded projects is also permissible, provided such use will not interfere with the purpose for which it was originally acquired. The District should consider charging user fees as appropriate. If the District does use equipment to earn program income, it must not charge a fee that is less than a private company would charge for similar services unless specifically authorized by Federal statute.
- G. When acquiring replacement equipment, the District may either trade-in or sell the equipment and use the proceeds to offset the cost of the replacement equipment.
- H. Property records shall be maintained that include a description of the equipment, a serial number or other identification number, the source of funding for the equipment (including the Federal Award Identification Number ("FAIN") ~~FAIN~~), title holder ~~entity~~, acquisition date, cost of the ~~property~~ equipment, percentage of Federal ~~agency~~ contribution towards the original purchase ~~participation in the project costs for the award under which the equipment was acquired~~, the location, use, and condition of the ~~property~~ equipment, and ultimate disposition data, including date of disposal and sale price of the ~~property~~ equipment.
- I. A physical inventory of the property must be ~~conducted~~ taken and results reconciled with property records at least once every two (2) years.
- J. A control system shall be ~~in place~~ developed to provide ~~adequate~~ safeguards for preventing ~~to prevent~~ loss, damage, or theft of the property. Any such loss, damage, or theft of the property must ~~shall~~ be investigated. The District must notify the Federal agency or pass-through entity of any loss, damage, or theft of equipment that will have an impact on the program.
- K. ~~Regular~~ Adequate maintenance procedures shall be implemented to keep the property in ~~proper working~~ good condition.
- L. Proper sales procedures shall be established to ensure the highest possible ~~return~~ return, in the event the District is authorized or required to sell the equipment/property.

M. When ~~original or replacement~~ equipment acquired under a Federal award is no longer needed for the original project/program or for activities currently or previously supported by a Federal ~~awarding agency~~, ~~and except as otherwise provided by Federal statutes, regulations, or Federal awarding agency disposition instructions~~, the District shall request disposition instructions from the Federal ~~awarding agency~~ **or the pass-through entity** if required by the terms and conditions of the Federal award. Disposition of the equipment shall be made in accordance with the provisions of 2 C.F.R. 200.313.

Revised 5/24/16

**[Cross Reference: 7310]**

© Neola ~~202421~~

Legal 2 C.F.R. 200.313, 200.439(b)(2)

Cross References po7310 - DISPOSITION OF SURPLUS PROPERTY