

Book Policy Manual
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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 conduct a complete inventory and/or maintain a continuous inventory of all District-owned equipment and supplies every two (2) years and Generally Accepted Accounting Principles ("G.A.A.P.") reporting requirements.

For purposes of this 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 \$100** [DRAFTING NOTE: See also Policy 7310 - Disposition of Surplus Property to provide for a consistent threshold for such expenditures.] as a single unit 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 \$5000. [DRAFTING NOTE: The Federal threshold (2 C.F.R. 200.439) for a supply designation is \$10,000,000 regardless of length of useful life, however, the District may set an early acquisition cost level for designation as supply. 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 IT Assistant Specialist 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.

The IT Assistant Specialist shall maintain a system of property records which shall show, as appropriate to the item recorded, the:

- A. description and identification **(serial number or other identification number)**; ✓
- B. manufacturer;
- C. year of purchase;
- D. initial cost;
- E. location;
- F. condition and depreciation;

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/Personal Property~~ and Policy 7310 - ~~Disposition of Surplus Property ()~~, and AG 7310 - ~~Disposal of District Property~~.
- 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), title ~~holder, acquisition date, cost of the property, entity, acquisition date, cost of the equipment~~, percentage of Federal ~~agency contribution toward 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 ~~safeguards for preventing, adequate safeguards to prevent~~ loss, damage, or theft of the property. Any such loss, damage, or theft ~~of the property must be, 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, 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 ~~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 C.F.R. 200.313.

[CROSS REFERENCE: po7310]

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Legal 2 C.F.R. 200.313

Cross References po7310 - DISPOSITION OF SURPLUS PROPERTY