

## **Operational Services**

### **Administrative Procedure - Inventory Management for Federal and State Awards**

This procedure applies to property acquired by the District under federal grant awards or State grant awards governed by the Grant Accountability and Transparency Act (GATA) (30 ILCS 708/).

#### **Definitions**

*Property* – real or personal property. 2 C.F.R. §200.1.

*Equipment* – Tangible personal property (including information technology systems) having a useful life of more than one year and per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the District for financial statement purposes, or \$10,000. 2 C.F.R. §200.1.

*Supply* – All tangible personal property other than equipment. A computing device is a supply if the acquisition cost is below the lesser of the capitalization level established by the District for financial statement purposes or \$10,000, regardless of its useful life. 2 C.F.R. §200.1.

*Acquisition Cost* – The total cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software include those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the District's regular accounting practices. 2 C.F.R. §200.1.

#### **Roles and Responsibilities**

<b>Actor</b>	<b>Responsibility</b>
Business Manager and/or Designee	<p>Recordkeeping – 2 C.F.R. §200.313(d)(1) and (2)</p> <ol style="list-style-type: none"> <li>1. Ensures all equipment purchased with grant funds is identified and marked as such.</li> <li>2. Maintains an inventory list that includes the following:               <ol style="list-style-type: none"> <li>a. a description of the property</li> <li>b. a serial number or another identification number</li> <li>c. the source of funding for the property (including the Federal Award Identification Number (FAIN), if applicable)</li> <li>d. the title holder</li> <li>e. the acquisition date</li> <li>f. the cost of the property</li> <li>g. the percentage of federal or State agency contribution towards the original purchase</li> <li>h. the location, use and condition of the property</li> <li>i. any disposition data including the date of disposal and sale price of the property</li> <li>j. any updates of property records when there is a change in the status of the property</li> </ol> </li> <li>3. Conducts a physical inventory of the property and reconciles the results with the records at least once every two years.</li> </ol>

Actor	Responsibility
	<p data-bbox="618 296 1386 327">Maintenance and Safeguarding – 2 C.F.R. §200.313(d)(3) and (4)</p> <ol data-bbox="667 338 1468 768" style="list-style-type: none"> <li data-bbox="667 338 1468 432">1. Budgets for and schedules regular maintenance of the equipment when it is recommended by the manufacturer and arranges for repair of equipment when economically feasible.</li> <li data-bbox="667 436 1468 569">2. Oversees implementation of the internal controls for the safeguarding of equipment and supplies required by administrative procedure 4:80-AP1, <i>Checklist for Internal Controls</i>.</li> <li data-bbox="667 573 1468 667">3. Reports (or receives reports, if so designated) any fraud, waste, or abuse of property in accordance with administrative procedure 4:80-AP2, <i>Fraud, Waste, and Abuse Awareness Program</i>.</li> <li data-bbox="667 672 1468 768">4. Investigates reports of property loss, damage, or theft. If appropriate, and in consultation with the Superintendent, makes a report to law enforcement for further investigation.</li> </ol> <p data-bbox="618 821 1143 852">Title and Use – 2 C.F.R. §200.313(a) and (c)</p> <ol data-bbox="667 863 1468 1829" style="list-style-type: none"> <li data-bbox="667 863 1468 957">1. Ensures the equipment is used for the authorized purposes of the grant during the period of the grant, or until the property is no longer needed for the purposes of the project.</li> <li data-bbox="667 961 1468 1461">2. During the time that equipment is used on the project or program for which it was acquired, designates equipment available for use on other projects or programs currently or previously supported by the federal or State government, provided such use will not interfere with the work for which it was originally acquired, in the following order of priority: <ol data-bbox="716 1167 1468 1461" style="list-style-type: none"> <li data-bbox="716 1167 1468 1262">a. First preference is given to other programs or projects supported by the federal or State agency that funded the original program or project.</li> <li data-bbox="716 1266 1468 1461">b. Second preference is given to programs or projects under awards from other federal or State agencies (in the case of federal awards, to activities under federal awards from other federal awarding agencies; these activities include consolidated equipment for information technology systems).</li> </ol> </li> <li data-bbox="667 1465 1468 1692">3. If the equipment is to be used for non-federally or non-State-funded programs or projects, considers charging user fees as appropriate. Any fees charged for equipment services acquired under an award must be equal to or greater than what a private company would charge for similar services, unless specifically authorized by statute, for as long as the government retains an interest in the equipment.</li> <li data-bbox="667 1696 1468 1829">4. While the equipment is being used for the originally authorized purpose, ensures that the title or other interest to the property is not disposed of or encumbered without the approval of the federal or State agency.</li> </ol> <p data-bbox="618 1839 1118 1871">Disposition – 2 C.F.R. §200.313(c) and (e)</p>

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	<ol style="list-style-type: none"> <li>1. Unless the federal or State agency requires an equipment transfer, when equipment acquired under an award is no longer needed for the original project or program or for any other activities supported by a federal or State agency, requests disposition instructions from the federal or State agency, if required by the terms and conditions of the award.</li> <li>2. If equipment has a current fair market value of \$10,000 or less (per unit), arranges for the retention, sale, or disposal of the equipment with no further responsibility to the federal or State agency. Notes the disposition of such items in the District's property records.</li> <li>3. Except for awards exempted under 2 C.F.R. §200.312(b), or if the federal or State agency fails to provide requested disposition instructions within 120 days, arranges for the retention or sale of items of equipment with a current fair-market value in excess of \$10,000 (per unit). The federal or State agency is entitled to an amount calculated by multiplying the percentage of the federal or State agency's contribution towards the original purchase by the current market value or proceeds from the sale. If the equipment is sold, the federal or State agency may permit the District to retain, from the federal or State share, \$1,000 of the proceeds to cover expenses associated with the selling and handling of the equipment.</li> <li>4. If applicable, arranges for the transfer of title to the property to the federal or State government or to an eligible third party, provided that the District is entitled to compensation for its attributable percentage of the current fair market value of the property.</li> <li>5. If the District is authorized or required to sell the property, ensures compliance with Board policy 4:80, <i>Accounting and Audits</i>, regarding the disposition of property, and follows proper sales procedures to ensure the highest possible return.</li> <li>6. For items of equipment with an acquisition cost of \$10,000 or more: <ol style="list-style-type: none"> <li>a. Obtains two signed bids from potential purchasers or two appraisals from authorized appraisers to determine the per unit current fair market value.</li> <li>b. If the per unit current fair market value is \$10,000 or more, follows the procedures outlined in the Ill. State Board of Education's <i>State and Federal Grant Administration Policy, Fiscal Requirements, and Procedures</i> to obtain ISBE's approval, available at: <a href="http://www.isbe.net/Documents/fiscal_procedure_handbk.pdf">www.isbe.net/Documents/fiscal_procedure_handbk.pdf</a>. <b>Note:</b> ISBE's <i>State and Federal Grant Administration Policy, Fiscal Requirements, and Procedures</i> (Mar. 2020) had not been updated as of the time of <b>PRESS</b> Issue 118's publication (Apr. 2025) for the definition of equipment and the increase from \$5,000 to \$10,000.</li> </ol> </li> </ol>

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	<p>7. When appropriate, arranges for the trade-in of equipment to be replaced or sale of the equipment when acquiring replacement equipment. Proceeds from the trade-in or sale may be used to offset the cost of the replacement equipment.</p> <p><b>Note:</b> If the District fails to take appropriate disposition actions, the awarding agency may direct the District to take disposition actions.</p> <p>Retention – 2 C.F.R. §200.313(f)</p> <p>When included in the terms and conditions of the award, retains the equipment with permission from the federal or authorized State agency, with no further obligation to the federal or State agency unless prohibited by federal law or regulation.</p>
<p>Staff Members Who Receive Equipment/Supplies as Part of Their Job Duties</p>	<p>Title – 2 C.F.R. §200.313(a) and (d)(3)</p> <p>Use the equipment/supplies for the purposes authorized by the project during the period of performance, or until the property is no longer needed for the purposes of the project.</p> <p>Properly use the equipment in accordance with the manufacturer’s instructions.</p> <p>Produce the equipment/supplies when requested by the Business Manager or designee, whether for inventory, scheduled maintenance, repair, or other purposes.</p> <p>Take reasonable steps to prevent damage to equipment and supplies in accordance with administrative procedure 4:80-AP1, <i>Checklist for Internal Controls</i>.</p> <p>Report any fraud, waste, or abuse of property in accordance with administrative procedure 4:80-AP2, <i>Fraud, Waste, and Abuse Awareness Program</i>.</p> <p>Immediately report lost or stolen equipment/supplies to the Business Manager or designee.</p> <p>Return the equipment/supplies when requested by the Business Manager or designee or if it is no longer needed.</p>

Approved:

