

## **Policy ~~7450~~ 640 – Personal Property Inventory**

**Revised policy and repeal of Policy 7530 (Lending of Board-Owned Equipment) and Policy 7310 (Disposition of Surplus Property) effective upon passage**

*1<sup>st</sup> reading*      April 11, 2019

*2<sup>nd</sup> reading*

*3<sup>rd</sup> reading*

**Statutory authority**      (none)

### **Administrative Guidelines**

(none)

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

"Personal Property" means tangible property other than real property. It may be tangible, having physical existence, or intangible and may include automotive vehicles, equipment, and materials.

The Board shall conduct a complete inventory and maintain a perpetual inventory of all Board-owned equipment and supplies annually and GAAP reporting requirements.

For purposes of this policy "equipment" means tangible personal property (including information technology systems) having a useful life of more than one (1) year and a per-unit acquisition cost which equals or exceeds the current State threshold amount for equipment.

"Capital assets" means tangible or intangible assets used in operations having a useful life of more than one (1) year which are capitalized in accordance with GAAP.

Capital assets include equipment as well as the following:

- A. land, buildings (facilities), and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and
- B. additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).

Capital expenditures, which are expenditures for capital assets, require prior written approval in order to be allowable in certain situations. General purpose equipment, buildings, and land, as well as improvements to land, buildings, or equipment which materially increase their value or useful life, are unallowable as direct charges unless the Federal awarding agency or pass-through entity provides prior written approval. Whereas capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity.

When defining supplies for inventory purposes, no items will be counted whose total value is less than \$5,000.

For the purposes of this policy "consumable supplies" shall mean a commodity which, when used in the ordinary course of business, will become consumed or of no market value. It is also referred to as an expendable commodity.

"Computing devices" are machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories for printing, transmitting and receiving, or storing electronic information. Examples of computing devices include laptops, smartphones, tablets, etc. Computing devices are classified as equipment if their acquisition cost meets the above-mentioned equipment threshold. Computing devices that do not meet the acquisition cost threshold are considered supplies. Regardless of whether a computing device is classified as an equipment or supply, it must be counted during the inventory.

It shall be the duty of the Chief ~~Financial Officer~~ School Business Official 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, misplacement, or depreciation; any major loss shall be reported to the Board.

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

- A. description of the property
- B. serial number or other identification number
- C. source of funding for the property
- D. titleholder
- E. acquisition date
- F. acquisition cost
- G. percentage of Federal participation in the project costs for the Federal award under which the property was acquired
- H. location
- I. use and condition of the property
- J. ultimate disposition data including the date of disposal and sales price
- K. manufacturer
- L. evaluation in conformity with insurance requirements

Equipment and computing devices acquired under a Federal award will vest upon acquisition to the ~~District~~ County, subject to the following conditions:

- A. The property shall be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.
  - 1. When no longer needed for the original program or project, the property may be used in other activities in the following order of priority: 1) activities under a Federal award from the Federal awarding agency which funded the original program or project; then 2) activities under Federal awards from other Federal awarding agencies.
  - 2. During the time that property is used on the project or program for which it was acquired, the ~~District~~ County must also make the property available for use on other projects or programs currently or previously supported by the Federal program, provided that the use will not interfere with the work on the original project or program.
- B. The property shall not be encumbered without the approval of the Federal awarding agency or the pass-through entity.
- C. The property 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 and Policy 7310.
- D. Property records shall be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), title entity, acquisition date,

cost of the property, percentage of Federal participation in the project costs for the award under which the property was acquired, the location, use, and condition of the property, and ultimate disposition data, including date of disposal and sale price of the property, in accordance with this policy.

- E. A physical inventory of the property must be taken and results reconciled with property records at least once every two (2) years, in accordance with this policy.
- F. A control system shall be developed to provide adequate safeguards to prevent loss, damage, or theft of the property. Any such loss, damage, or theft shall be investigated.
- G. Adequate maintenance procedures shall be implemented to keep the property in good condition.

#### *Lending of Board-Owned Equipment*

The Board of Education believes that Board-owned equipment is a valuable resource that may be loaned for community use under certain conditions only, provided that such use does not infringe on the original and necessary purpose of the equipment or interfere with the ~~District's~~ County's educational program.

The Board may lend specific items of equipment on the written request of the user and approval granted by the Superintendent.

The user of Board-owned equipment shall be fully liable for any damage or loss occurring to the equipment during the period of its use, and shall be responsible for its safe return. The use of Board-owned equipment off ~~District~~ Board property is subject to the same rules and conditions of use that are in effect when the equipment is used on District property.

~~District Board-owned~~ equipment may be removed from ~~District Board~~ property by students, staff members, and/or Board members only when such equipment is necessary to accomplish tasks arising from their school or job responsibilities. The consent of the immediate supervisor is required for such removal.

Individuals authorized to use Board-owned equipment off ~~District Board~~ property are prohibited from allowing anyone else to use the equipment (e.g., spouses, children, relatives, friends, etc. may not use Board-owned equipment, which is approved for use by a specific person).

An employee may use technology resources (~~as defined in Bylaw 0100~~) that have been assigned to him/her off ~~District Board~~ property, provided such use is for purposes related to his/her duties. If personally identifiable information ("PII") about students and/or staff are saved/uploaded/stored on the Technology Resources assigned to an employee, the Technology Resource shall be locked down to prevent non-authorized individuals from accessing that PII. Federal and State laws prohibiting disclosure of such PII apply to electronic records stored on ~~District County~~ Technology Resources. Board employees must exercise caution when saving/uploading/storing PII on mobile/portable storage devices (e.g., external hard drives, CDs/DVDs, USB thumb/flash drives, etc.), including mandatory encryption of the device, and when accessing PII that is stored on the ~~District's County's~~ network or contracted cloud-storage. A Board employee who loses or misuses student or staff PII will be subject to disciplinary action.

Personal use of Board-owned equipment or facilities by staff or students will be in accordance with the Superintendent's administrative guidelines.

#### *Disposition of Surplus Property*

The Board of Education requires the Superintendent to review the property of the ~~District Board~~ periodically and to dispose of that material and equipment which is no longer usable in accordance with the terms of this policy.

- A. Instructional Material

The ~~District~~ Superintendent shall review instructional materials (i.e. textbooks, library books, manuals, support

materials, etc.) periodically to determine the relevance of such materials to the present world and current instructional programs. The following criteria will be used to review instructional materials for redistribution and possible disposal:

1. concepts or content that do not support the current goals of the curriculum
2. information that may not be current
3. worn beyond salvage

B. Equipment

The ~~District~~ Superintendent shall inspect the equipment used in the instructional program periodically, to determine the condition and usability of such equipment in the current educational program. Should the equipment be deemed no longer serviceable or usable, the following criteria will be used to determine possible disposal:

1. repair parts for the equipment no longer readily available
2. repair records indicate equipment has no usable life remaining
3. obsolete and/or no longer contributing to the educational program
4. some potential for sale at a school auction
5. creates a safety or environmental hazard

C. Disposition

- ~~1. Disposal of Real Property—See Policy 7300.~~
- ~~2. Disposal of Personal Property:~~

At any time the Board determines that any personal property, including equipment, portable building, or motor vehicle, (including school bus), school furniture, computers, or other personal property is no longer needed for school purposes, the ~~Purchasing Director, in cooperation with the~~ Chief School Business Official may declare the property surplus and dispose of the property in the most economical method for the benefit of the Board.

The property may be disposed of in several ways: discarded or junked if it is determined not to have any salvageable value, traded in towards the purchase of a replacement item, sold at public auction, by competitive bid to the highest bidder, by fixed price, or contributed to:

- a. the State or political subdivisions, including county commissions or agencies thereof;
- b. a private, nonprofit, tax-exempt organization having been granted tax-exempt status by IRS Code 501(c) (3) through (8) inclusive, (19) or (23) for nominal consideration, provided that the property is for charitable, economic development or other community use.

Board employees and members of their immediate family are not eligible to buy or receive surplus property belonging to the Board unless the surplus property is offered to the general public for sale.

The sale of the surplus property must be conducted by the purchasing director or designee at a central location.

The determination that property is no longer needed for school purposes and the sale of the property cannot be made at the school or cost center level.

3. Disposal of Equipment Purchased From a Federal Grant:

When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, the District shall request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made in accordance with disposition

instructions of the Federal awarding agency.

Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.

Except as provided in subsection 200.312 Federally-owned and exempt property, paragraph (b), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per unit fair-market value in excess of \$5,000 may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent (10%) of the proceeds, whichever is less, for its selling and handling expenses.

The ~~District~~ Board may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the ~~District~~ Board shall be entitled to compensation for its attributable percentage of the current fair market value of the property.