

## FINANCIAL MANAGEMENT

7455

### Inventory/Property Management Policy and Procedure

#### A. Property Classifications

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the Charter School for financial statement purposes, or \$5,000. 2 C.F.R. §200.33.

Supplies means all tangible personal property other than those described in §200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the Charter School for financial statement purposes or \$5,000, regardless of the length of its useful life. 2 C.F.R. §200.94.

Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. 2 C.F.R. §200.20.

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

- Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and
- 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). 2 C.F.R. §200.12.

#### B. Inventory Procedure

1. All purchases made using federal funds are first approved by the Federal Programs Director, the Business Manager or the Executive Director or Principal. Approval for purchases is notated through email notification, or when needed by a vendor, on Purchase Order forms after verifying the funds are available through the CFSGA and the GRA; only items approved in the CFSGA will be considered for purchase. Specific funding sources must be identified prior to approval.
2. Once an order or a signed Purchase Order is submitted to a vendor, the original order or PO and a copy of the invoice and packing slips are submitted to the Business Manager upon



delivery. Records are stored in the office of the Business Manager, and electronically through the Charter School's Google drive account.

3. Upon receipt of new items, the Federal Programs Director is notified by the school secretary. The Federal Programs Director or the Executive Director or Principal or the designated receiving staff, inspect the inventory to ensure it's in good condition and that it matches the item specified on the purchase order and invoice. The invoice is delivered to the Business Manager who enters the information into accounting records (property management system).

### C. Inventory Records

The Federal Programs Director and the Business Manager work together to maintain an electronic inventory of items purchased with federal funds. The inventory file is stored in the Charter School's Google Drive files, and offsite by the Business Manager. As new items are purchased, they are added to the inventory. The written inventory includes the following information: Item Name, Item Description, Item Location, Funding Source, acquisition date and cost of the item. When new items are purchased, they are immediately labeled according to funding source (i.e., "Title 1, Title III," etc.).

If any items are sold, lost or stolen or cannot be repaired, the Federal Programs Director will update the written inventory accordingly with necessary information such as the date of disposal, sale price of property etc. The Federal Programs Director will also include notation regarding the process leading up to the final decision disposition of an item (investigation into stolen property, steps to repair item, purpose for selling the item, etc.)

### D. Physical Inventory

Once a year, in May, the written inventory is printed and all items are catalogued by the Executive Director or Principal or their delegate. Any discrepancies or missing items are reported to the Federal Programs Director and reconciled.

### ***Maintenance of Equipment***

In accordance with 2 C.F.R.313(d)(4), the Charter School maintains adequate maintenance procedures to ensure that property is kept in good condition.

### E. Lost or Stolen Items

The Charter School maintains a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of the property.

All items purchased with federal funds must be checked out by a certified teacher or paraprofessional prior to use. Computing devices are located in portable charging carts that are locked and stowed in a locked classroom or the Federal Programs Director's office. Computing devices must be checked out

by a certified teacher or paraprofessional and to be used within the school building only and are not allowed to be taken off-site.

If the equipment is lost or suspected to be stolen, the Federal Programs Director and Business Manager are notified. If the device is suspected to be stolen, the administrator is also notified in order to launch an investigation into the stolen device. The administrator would conduct interviews and file a police report if necessary. The lost/stolen property will remain listed in the inventory until the close of the school year.

#### F. Use of Equipment

Equipment must 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, and the Charter School will not encumber the property without prior approval of the federal awarding agency and the pass-through entity.

During the time equipment is used on the project or program for which it was acquired, the equipment will also be made available for use on other projects or programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the federal awarding agency that financed the equipment. Second preference is given to programs or projects under federal awards from other federal awarding agencies. Use for non-federally funded programs or projects is also permissible.

When no longer needed for the original program or project, the equipment may be used in other activities supported by the federal awarding agency, 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.

Transfer of equipment between programs or projects will occur only within the school. The transfer of equipment may be from school-wide use to individual classroom use.

#### G. Disposal of Equipment

When it is determined that 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 Federal Programs Director will contact the awarding agency (or pass-through for a state-administered grant) for disposition instructions.

Generally, disposition of equipment is dependent on its fair market value (FMV) at the time of disposition. If the item has a current FMV of \$5,000 or less, it may be retained, sold, or otherwise disposed of with no further obligation to the federal awarding agency. If the item has a current FMV



of more than \$5,000, the federal awarding agency is entitled to the federal share of the current market value or sales proceeds.

If acquiring replacement equipment, the Charter School may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

The Business Manager will identify the fair market value of the item(s) to be sold. The Business Manager, Executive Director or Principal and Federal Programs Director will set a price range in which the item(s) can be sold. The Business Manager will handle the sale of the unneeded equipment. The number of offers received must be greater than 3 (if lower than the asking price). If a full price offer is received, one offer is sufficient.

State references: The State of Idaho Board of Examiners - State Personal Surplus Property Policy and Procedures <http://www.sco.idaho.gov/>

#### Policy History:

Adopted on: April 19, 2018

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