



Book Policy Manual

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Title Technical Correction - Vol. 16, No. 1 - February 2024 - PROPERTY INVENTORY

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7450 - PROPERTY INVENTORY

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.

The Board shall **(x)** conduct a complete inventory ~~() maintain a perpetual inventory [end of option]~~ of all Board-owned equipment and supplies **(x)** 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. [end of options] () and G.A.A.P. 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. **[DRAFTING NOTE: The Federal regulation (2 CFR 200.439) allows for a \$5,000 threshold. Capital expenditures with a unit cost of \$5,000 or more require prior written approval of the Federal awarding agency or pass-through entity.]**

"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~~ that 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~~ equipment 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 ~~() Superintendent~~ (x) Business Manager (x) _____ and technology manager ~~[end of option]~~ to ensure that inventories are recorded systematically and accurately and property records of equipment are updated and adjusted annually ~~be~~ by reference to purchase orders and withdrawal reports.

[x] 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.

~~[] Property records of consumable supplies shall be maintained on a perpetual inventory basis. Consumable supplies inventory records should include for each item or group of items the following information: name of item, quantity purchased, date of purchase, cost, reorder point, amount dispensed, and date dispensed. A physical count of all supply inventory shall take place as of June 30th each school year and this count shall be reconciled with the perpetual inventory records.~~

~~[] The _____ 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, 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~~ that 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 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.
 - H. Proper sales procedures shall be established to ensure the highest possible return, in the event the Board is authorized or required to sell the equipment/property.
 - I. 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 Board shall request disposition instructions from the Federal awarding agency 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.

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Legal

West Virginia State Board of Education policy 1224.1

West Virginia State Board of Education policy 8200

West Virginia State Board of Education policy 8100

WV Code St. R. 126-202-1 (2005)

WV Code St. R. 126-200-2 (2005) (Public School Finance - Incorporation by Reference)

2 C.F.R. 200.313

WV Code 18-9B-12 (2005)