

# Maryville City Schools Board of Education

Monitoring:

**Review: Annually,  
in October**

Descriptor Term:

## **Procedures & Guidelines Equipment and Inventory**

Descriptor Code:

**5.2**

Review Date:

**09/18/17**

Rescinds:

Last Revision:

### **Definition of Equipment**

Maryville City Schools will use the state of Tennessee definition of equipment applied as follows: equipment is “all items (machinery, implements, tools, furniture, livestock, vehicles, and other apparatus) purchased with an object code of 16 with a unit cost of \$5,000.00 or more and a minimum useful life expectancy of three years. Freight charges and installation cost should be included as cost of equipment. Sensitive minor equipment is defined as “items purchased with an object code of 099 with a cost between \$100.00 and \$5,000.00.” It includes sensitive items such as computers, external computer peripherals, weapons, etc., as determined by the State Personal Property Section.

Maryville City Schools will use the same definition for all equipment including, but not limited to, equipment used by nonpublic schools. Maryville City Schools will not apply a more stringent standard for federal programs.

### **Guidelines for Equipment**

**Purchasing**—Maryville City Schools will budget in the equipment line item sufficient funds for planned purchases of any items to be considered to be equipment in the LEA. The Maryville City Schools will maintain all supporting documentation: inventory records, purchase orders, receipts, and vendor contracts.

Prior written approval by the NCLB field service consultant is required only for purchases of those items of equipment that have a unit cost of \$5,000 or more. Title IV equipment purchases must also be approved by the SEA Project Director.

All purchases must be made in compliance with policies and statutes governing the LEA.

**Allowable Equipment**—Maryville City Schools will be responsible for assuring that only allowable equipment is purchased. To avoid problems, the Maryville City Schools will submit a list of proposed purchases to its NCLB field service consultant for discussion. However, prior approval in writing is required only for items costing \$5,000 or more.

Maryville City Schools may purchase or lease equipment with NCLB funds if 1) it is reasonable and necessary to operate its federal program effectively, 2) existing equipment will not be sufficient and (3) the costs are reasonable.

Real property and equipment purchased with NCLB funds may be made available to

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other educational programs or projects, providing this use does not interfere with its use for the NCLB program or significantly shorten the equipment's useful life.

Bar codes--A bar code or other type of secure tag will be affixed to identify each piece of equipment. The name of Maryville City Schools, the Title, and project year of the purchase will be required unless the purchases are made as part of school wide projects under Title I. Equipment items bought as a part of a Title I school wide program are required to have the following: the name of the LEA, the name of the school, the project year of the purchase, and school wide.

All items purchased as equipment, including sensitive equipment, as well as materials and supplies must be accounted for in such a manner as to avoid fraud, waste, or abuse. These purchases will be reviewed as a part of the regular monitoring process.

### **Equipment Inventory (EDGAR Section 80.32)**

Maryville City Schools will maintain an inventory of equipment purchased with federal grant funds until disposition takes place. The inventory will be updated when there is a change in location, change in condition, or disposition of the equipment. Maryville City Schools will periodically notify its NCLB field service consultant of its schedule for physical inventory and the results of the physical inventory.

The property/inventory records will include the following information:

- Description of the property;
- A serial number or other identification number;
- The source of the property;
- Who holds title;
- The acquisition date;
- Cost of the property;
- Percentage of Federal participation in the cost of the property;
- The location, use, and condition of the property, and;
- Any ultimate disposition data including date of disposal and the sale price of the property. (See ED-5091.)

A physical inventory with reconciliation with property records will take place at least once every two years.

The Federal Projects Director will be responsible for monitoring and implementing

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the inventory control system to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated. Maryville City Schools will notify local law enforcement when it is discovered the equipment has been stolen and will obtain a police report.

Maintenance for items of equipment will be regular in order to keep property in good condition.

### **Equipment Requirements Concerning Private Schools ( 34 CFR §299.9)**

The Maryville City Schools will keep title to, and exercise continuing administrative control of, all property, equipment, and supplies that the LEA acquires with funds under a covered program for the benefit of eligible private school children and their teachers or other educational personnel.

Barcodes must be put on equipment, and it must be labeled with the name of the Maryville City Schools, Title program purchased under, and the year of purchase. An accurate inventory of this equipment must be maintained.

Maryville City Schools may place equipment and supplies in a private school for the period of time needed for the program.

Maryville City Schools will ensure that the equipment and supplies placed in a private school

- (1) Are used only for proper ESEA program purposes; and
- (2) Can be removed from the private school without remodeling the private school facility.

Maryville City Schools will remove equipment and supplies from a private school if

- (1) The equipment and supplies are no longer needed for ESEA program purposes;  
or
- (2) Removal is necessary to avoid unauthorized use of the equipment or supplies for other than ESEA program purposes.

No funds will be used for repairs, minor remodeling, or construction of private school facilities.

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### **Disposition of Equipment (EDGAR 80.32)**

Equipment will be disposed of with no obligation to the federal government, if ALL of the following criteria are met:

- (1) Equipment is no longer needed in the current program.
- (2) Equipment is not needed in other programs currently or previously funded by a federal agency.
- (3) Equipment item has a current per-unit fair market value of less than \$5,000.

If Maryville City Schools disposes of equipment with a fair market value of less than \$5,000, the proceeds must be used to support the program for which the equipment was purchased. No request for approval of equipment disposition is required.

If the equipment's fair market value is more than \$5,000, Maryville City Schools will submit a cover letter with supporting documentation as per the forms provided by the Office of Federal Programs to its NCLB field service consultant for review and submission to the Office of Federal Programs. Upon approval from the Executive Director of Federal Programs, Maryville City Schools will proceed with the disposition process. If items are to be sold after approval of the disposition, the proceeds will be used to support the program for which the equipment was purchased. Documentation of such sale and use for the program will be maintained.

If authorized or required to sell property, proper sales procedures will be established to ensure the highest possible return.

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### Maryville City Schools

**SAMPLE letter to request disposition of equipment with an original cost or fair market value of \$5,000 or more—must be submitted and approved by the Executive Director of Federal Programs prior to disposition of equipment)**

(Date)

State Department of Education  
Office of Federal Programs  
5<sup>th</sup> Floor, Andrew Johnson Tower  
710 James Robertson Parkway  
Nashville, TN 37243-0379

Dear \_\_\_\_\_:

The      (school system)      has completed an inventory of all equipment with Title \_\_\_\_ funds. It has been determined that a few items are no longer needed in the Title \_\_\_\_ program. Consequently, it is necessary that these items be deleted from our current inventory. (See attached list.) Section 80.32(e), **EDGAR**, as amended through June 23, 2005, states:

When original or replacement equipment acquired under a grant or sub grant is no longer needed for the original project or program or for other activities currently or previously sponsored by a Federal agency, disposition of the equipment will be made as follows: Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to the amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.

All items requested for disposition meet the following requirements:

- A. Are no longer needed for the original project or program; and
- B. Cannot be used in projects currently or previously supported by other Federal agencies.

Please let us know if this meets your approval. This disposition of equipment will be maintained on file after being reviewed by your office.

If items are to be sold after approval of this disposition, the LEA will use funds resulting from the sale of equipment in the federal program from which the equipment was purchased. Documentation of the sale will be added to ED-5091, and documentation of use of these funds will be kept on file at the LEA.

Respectfully,

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Ultimate Disposition Data <del>Date and</del> <del>Sale Price</del> <del>to be added</del> <del>after</del> <del>disposition</del>					
Condition of the Property					
Use of the Property					
Location of the Property					
% of Federal Participation in the Cost of the Property					
Cost of the Property					
Acquisition Date					
Who Holds Title					
Source of Property					
Serial Number or Other Identification Number					
Description of Property					