



Federal Programs: Property Records and Equipment Inventory

FEDPRO-6: PR&EI
Updated December 2023

Garfield County School District (GCSD) provides assurances that it will expend and account for Federal awards in accordance with Federal and State law and USBE Rules, including compliance with the USBE published chart of accounts. GCSD provides assurance that they comply with the provisions of 200.302 and meets the minimum standards established in section (b)(1)-(7) including:

- 1) identification, and accurate, current, and complete disclosure, of federal awards and expenditures - including records of such;
- 2) effective control over all funds, property, and other assets purchased with Federal funds, including adequately safeguarding all assets and ensuring they are used solely for authorized purposes;
- 3) establishment of written procedures to
 - 1) implement cash management requirements and
 - 2) for the determination of allowability of costs in accordance with 2 CFR 200 Subpart E- Cost Principles parts 400-475;

Property Records & Equipment Inventory

Records & Custody

GCSD's accounting department shall create reasonable internal control procedures to provide for a detailed capital asset inventory record keeping system. This system shall contain records for each capital asset purchased or acquired in the district.

Capital assets are defined as all capital assets with a useful life of one or more years, with an individual value of \$250 or more. Exception--programs and administrators may request the accounting department keep records at a more detailed level if needed.

Capital assets including buildings, land, land improvements, furniture and fixtures, electronic technology assets, vehicles, and other assets with useful lives of one year or more shall be included in the capital asset inventory. All capital asset records must be compliant with generally accepted accounting principles (GAAP) and provide for an appropriate level of detail for determining the custody of each asset. Custody is defined as having two critical components to each asset's record:

- 1) the name of staff member or room assigned to each asset, and
- 2) the program assigned to each asset; both information items are required for establishing the custody of each asset. Records shall be kept in an electronic format with reference to accounts payable and other purchasing records--i.e. the check number related to each purchase.

Federally Owned Capital Asset

Assets purchased with federal grant or program funds must be tracked and tagged in accordance with federal requirements. The program associated with the capital asset purchased with federal funds must be identified in the capital asset records (i.e. Special Education, Food Service, etc.) These federal government assets are controlled assets that the district is required to track. These assets are permanent in nature and must remain with the program in which federal funds were used to purchase the asset.

Annual Inventory

The district accounting department shall oversee an annual inventory conducted by each school/department. Inventories may be conducted more often if needed. In cases of identified missing assets, the applicable supervising administrator shall conduct an investigation and provide the accounting department with a summary of the investigation and any corrective action that is taken; and the accounting department shall respond accordingly to the risks and information surrounding missing capital assets.

Disposal of Capital Assets

Capital assets which have been identified as lost, stolen, sold, or inoperable must be reported immediately to the district accounting department along with all related information. Capital asset records should not be removed/deleted; rather, when capital assets are disposed, records should be maintained indicating the reasons for disposal along with all relevant information. Before capital assets are disposed of, the district surplus property policy should be followed where applicable.



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4. Financial Reporting - Capital assets with an individual or basket purchase value of \$1,000 or more, and with a useful life of more than one year, will be included in annual financial reports. The cost of normal maintenance and repairs that do not add value to an asset or materially extend an asset's useful life will not be capitalized and reported.

Tagging

A numbered bar code tag identifies items recorded in the equipment inventory. The primary purposes of tagging are to provide an accurate method of identifying assets as school district property, to control the location of physical assets, and to provide a link to asset records for physical inventories. It may not be possible to tag some items because of their size, location or use; these items shall be identified in asset records by other identifying criteria such as location, description, serial number or other identification criteria.

Where possible, technology related assets *should* be tagged with a school district capital asset inventory tag.

School district capital asset inventory tags shall be used when it is reasonable to do so.

Asset Records

Asset records shall be created for all newly acquired capital asset items. The Accounting Department will be responsible for updating asset records. The Accounting Department will create and maintain asset records to include the following information:

Required record information for each asset: Description of item, Building, Name of staff member and/or room location, Program, Check number that paid for the item, Vendor the asset was purchased from, Date of purchase, and Amount paid for the item

Other record information for each asset if possible: Make, Model, Brand, Serial Number, Other descriptive information,

For compliance, assets purchased from the following programs should clearly identify the program from which they were purchased:

- Special Education
- Career Technology Education
- Food Service
- Title I
- Title II
- Migrant Education
- Adult Education

School & Program Responsibilities

Each administrator is responsible for:

- All equipment purchased for and assigned to the school/program;
- Verifying inventory records;
- Reporting changes to inventoried property or equipment to the Accounting Department;
- The physical inventory and certification of inventory of capital assets is completed at annually.
- The administrator may delegate inventory tasks to staff members but is ultimately responsible for the custody, accuracy, completeness, and reliability of the inventory.

Reporting Changes For Previously Inventoried Capital Assets

The supervising administrator must report in writing to the Accounting Department all details related to any of the following changes with inventoried capital assets:

- Lost
- Stolen
- Destroyed
- Relocated to another building/room
- Transferred to another program or school
- Sold



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- Declared as surplus property

Physical Inventory

Conducting physical inventories is vital in monitoring and updating the status of the school district's capital assets for federal, state, and financial audits. Capital assets shall be inventoried at least once annually. *To initiate this process, the Accounting Department will produce and distribute to each school/program its capital asset listing (Excel spreadsheet or other report format) of inventory. The school/program is to verify the existence of all items, ensure the listing is complete, and update related information for all items as appropriate. Any additions, deletion, or corrections are to be noted on the listing.* The school/program shall make appropriate changes to the asset listing and return it to the Accounting Department by the required date.

Sampling of Physical Inventories

Random audits of completed inventories will be conducted to test the accuracy of the database and to ensure that departments are completing accurate physical inventories.

Certification of Inventory

A signed and dated inventory spreadsheet/report is a certification that the inventory has been completed. Returning this inventory list to the Accounting Department certifies that list has been reviewed, and that all required deletions and corrections have been reported. In addition, it certifies that at least one individual representing the school/program has physically inspected each of the items listed.