

# **Title I Equipment and Inventory Control and Tracking Procedures**

# **South Carolina Department of Education Office of Federal and State Accountability Title I Equipment Inventory Control and Tracking Procedures**

## **Purpose**

To ensure the maintenance and implementation of adequate controls to account for the procurement, location, custody, and security of equipment purchased with Title I funds. This procedure defines equipment as “non-consumable items with a life expectancy of more than one year and a per-unit value exceeding \$2,500.00.”

These procedures are based on the Uniform Grant Guidance, Education Department General Administrative Regulations (EDGAR), and SC State Comptroller General’s Office.

## **Physical Inventory Listing**

Each LEA Title I Office and Title I school will maintain a current and accurate inventory record of equipment purchased with Title I funds (a Physical Inventory Listing). This Physical Inventory Listing will include non-consumable equipment with more than one year of life and a value of more than \$2,500.00. (This Physical Inventory Listing is in addition to the LEA’s fixed asset inventory listing.) Equipment purchased using district set-aside Title I funds will be listed on the district’s Physical Inventory Listing. Equipment purchased using a school’s Title I allocation will be listed on the school’s Physical Inventory Listing. Items not included in the physical inventory listing are books, classroom libraries, classroom/office supplies, workbooks, maps, charts, and globes. Items that must be included but are below the threshold (\$2,500.00) that are deemed “highly walkable” items such as iPads, laptops and other electronics.

The Physical Inventory Listing must include the following information:

- An inventory control number to include the fixed asset identification number or other inventory control number for items not listed on the fixed asset system,
- The Federal Award Identification Number (FAIN),
- The title holder,
- The percentage of the Federal agency contribution toward the original purpose,
- A description to include the model number,
- Purchase cost,
- Serial number,
- The purchase date,
- Person of custody,
- The location (office and room number),
- Use of the item,
- Condition of the item, and
- Reconciliation action.

2 C.F.R. 200.313(d).

The Title I schools, Title I district-wide programs, and Title I district office must ensure that items are added to the Physical Inventory Listing throughout the year as invoices are processed.

All lost, stolen, or missing equipment must be reported to the SEA after the item is identified as missing. LEAs must develop written procedures to prevent equipment theft, loss, and damage.

## **Equipment Inventory Form**

\*The above form must be used unless the district uses an electronic inventory management system such

as Destiny, Asset Tiger, etc. While the electronic inventory management system's forms may look different, all the above information must be included.

#### Fixed Asset Listing

The Title I Equipment Inventory Control Procedures are in addition to the district's inventory control policy or equipment listed on the district's fixed asset inventory system.

#### Tagging of Equipment

Equipment purchased with Title I funds listed on the LEA fixed asset inventory system must have the appropriate asset identification tag/decal per the district's policy on tagging equipment. The asset tag/decal should be placed on the equipment where it can be easily seen.

Title I equipment with a useful life of at least one year and not included in the fixed asset system will still need a tag, decal, or label to indicate a control number designated by the Title I office or school.

#### Physical Inventory Listing Reconciliation to Fixed Asset Listing

A physical inventory of the equipment at each location (using the Physical Inventory Listing) must be taken, and the results must be reconciled with the fixed asset listing at least once annually. Documentation of the reconciliation and any adjustments to entries to account for the differences noted during the reconciliation should be maintained.

As a part of the reconciliation process, district Title I Coordinators are urged to run expenditure reports to ensure that all required equipment, supplies, and material items have been added to the physical inventory listing for each location.

#### Equipment Disposition

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 other activities currently or previously supported by a Federal awarding agency, [insert name of position/office responsible] will contact the awarding agency or pass-through entity for disposition instructions.

Generally, equipment disposition depends on its fair market value (FMV) at the time of disposition. If the item has a current FMV of \$10,000 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 over \$10,000, the Federal awarding agency or pass-through entity is entitled to the Federal share of the current market value or sales proceeds. The District may retain \$1,000 to cover expenses associated with the selling and handling of the equipment. 2 C.F.R. 200.313(e)(2).

If acquiring replacement equipment, the District 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.

#### Record Maintenance

Appropriate equipment transfers and disposal forms for the fixed asset listing should be completed promptly and maintained to document any transfer or disposal of equipment (following the LEA policy).

Any mobile equipment, such as laptop computers, should have an equipment Check-Out form to document that the equipment has been removed from its location as indicated on the Physical Inventory Listing.

When equipment not on the fixed asset listing is transferred from one location to another, an Equipment Transfer Form should be completed to document that the equipment has been removed from one Physical Inventory Listing and added to another.

\*All inventory records must be retained for six years from the end of the performance period, or until the end of all related litigation, whichever is longer, as is required above.

See Attachments below for an example of a Check-Out and Transfer form.

#### Disposition of Supplies

Supplies are an allowable direct charge. 2 C.F.R. 200.453. The LEA has title to all supplies acquired under the Federal award. When supplies are no longer needed for the program for which they were used, if the fair market value of the unused supplies is less than \$10,000 in total aggregate value, the LEA may dispose of the supplies without further Federal accountability.

If, however, the aggregate value is over \$10,000, the LEA may retain or sell the supplies, but in either case the LEA must compensate the Federal program in an amount calculated by multiplying the percentage of the Federal program's contribution towards the cost of the original purchase(s) by the current market value or proceeds from the sale. The LEA may retain \$1,000 to cover expenses associated with the selling and handling of the equipment.

- Unused supplies are defined as those in new condition, not being used or opened.
- The aggregate value of unused supplies consists of all supply types, not just like-item supplies.

## **Title I Equipment Inventory Control Procedure (for equipment purchased with Title I fund code only)**

## Physical Inventory Listing

2 C.F.R. §200.313(1)

**LEA Name:**

**Location (such as Office or School Location):**

[illegible]

**Signature of Person Conducting the Reconciliation:**

Date \_\_\_\_\_

There should not be any blank cells in the completed rows when the inventory is completed. If there are, provide a notation.

Include an Inventory Control Number or the Fixed Asset Number - **both are not required.**

A new and/or updated form must be used every year.

Attach to the Reconciliation: copies of applicable transfer and check-out forms, notes, police reports, and anything else that is applicable.

Inventories must be conducted at least annually towards the end of the school year.

# **Title I Equipment Inventory Control Procedure**

## **Equipment Check-Out Form**

**Description of Equipment:**

**Model:**

**Title I Inventory Control Number or Fixed Asset Number:**

**Location:**

**The above equipment is being issued to you for official use only. By signing below you acknowledge responsibility for the equipment and its use while in your possession.**

**Name/Signature:**

**Position:**

**Check-Out Date:**

**Return Date:**

# **Title I Equipment Inventory Control Procedure**

## **Equipment Transfer Form**

**Description of Equipment:**

**Model:**

**Title I Inventory Control Number or Fixed Asset Number:**

**Location Prior to Transfer:**

**Location After Transfer:**

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**Surrendering Location**

**Director/ Principal Signature**

**Date**

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**Receiving Location**

**Director/ Principal Signature**

**Date**

# DECLARATION OF INTENT TO DISPOSE OF EQUIPMENT/FURNITURE

## Department of Education Only

Inventory/Asset ID Number:

Serial Number:

Location:

Description of Equipment/Furniture:

Approximate Age:

(If Known)

Acquisition Cost:

(If Known)

Estimate of Fair Market Value or Trade-In-Value:

Condition of Equipment:

DISPOSED

SURPLUS

TRADE-IN

Division

Office

Approved by:

Office Director Signature

Date

CIO Equipment Manager (IT Equipment Only) Signature

Date

Fixed Assets Manager Signature

Inventory Removal Date

Attachment 4