

CAPITAL ASSET INVENTORY RECORDS POLICY

PROPERTY CONTROL OFFICER

The Berlin Central School District Board of Education appoints a Property Control Officer at its annual Organizational meeting.

The Property Control Manager is responsible for maintaining all inventory records including new purchases, transfers of inventory, donations of inventory, deletions of property, and items declared surplus. Additionally, at least annually, the Property Control Officer will conduct a physical inventory on a test basis to help ensure the accuracy of the inventory records.

INVENTORY

At least every 5 years, the Board of Education will allocate funding to conduct a physical inventory of the District's assets. Alternatively, the Board of Education may choose to inventory a building(s) annually so that at the end of a 5-year cycle, all buildings have been inventoried.

Each Administrator is responsible for the assets including equipment and furniture assigned to his or her building and/or area of supervision.

Criteria for Recording Inventory Transactions

The following assets must be inventoried and carried on the property records of the District:

- All land (including ancillary costs);
- All other capital assets including furniture and equipment with a unit cost (including ancillary costs) of \$5,000 or greater and useful life of two years or more; unless otherwise noted.
- Bulk Purchases – bulk purchases of like capital assets with unit costs of less than \$5,000 may be capitalized as a group at the discretion of the Business Administrator
- Extraordinary repairs, Betterments, Replacements, or Improvements – Capitalize outlays that increase future benefits from an existing capital asset beyond its previously assessed standard of performance or useful life. Increased future benefits typically include:
 - An extension in the estimated useful life of the asset.
 - An increase in the capacity or efficiency of an existing capital asset.
 - A substantial improvement in the quality of output or a reduction in previously assessed operating costs.
- Capital Leases that meet the \$5,000 threshold will be inventoried if one or more of the following four criteria are met.

- Ownership of the leased property is transferred to the District by the end of the lease term; or
 - The lease contains a bargain purchase option; or
 - The lease term is equal to 90 percent or more of the estimated useful life of the leased property; or
 - If, at the inception of the lease, the present value of the future minimum lease payments, excluding executory costs (usually insurance and maintenance) paid in connection with the leased property, including any profit thereof is 90 percent or more of the fair value of the leased property.
- Although “small and attractive assets” do not meet the District’s capitalization policy above, the Business Administrator shall inventory attractive assets of \$500 or more such as computer equipment, cameras, audio/video equipment, and other electronic equipment as deemed appropriate.

PROCEDURES

To assure that the District’s inventory records and inventory control are maintained, the following procedures are prescribed:

1) NEW EQUIPMENT AND FURNITURE - All assets including equipment and furniture meeting the “Criteria for Recording Inventory Transactions” will be recorded upon its arrival by the Property Control Officer.

2) TRANSFER OF EQUIPMENT OR FURNITURE - District property must not be moved from one location to another without proper authorization from the Property Control Officer. Permanent transfer of property between departments and buildings will require completion of a Fixed Asset/Equipment Change Report (Attachment A).

3) REMOVAL OF PROPERTY FROM THE PREMISES – With the exception of laptop computers and cameras, written approval is required from the Property Control Officer before any District equipment or furniture may be removed from the campus. Removal of property without such prior written authorization is considered a security violation and may be considered misuse of funds.

If District property is removed from the premises, the individual removing it must assume financial responsibility unless he or she is otherwise specifically relieved of such responsibility in writing by the appropriate administrative officer.

4) EQUIPMENT TO BE DISCARDED - When equipment becomes obsolete, broken beyond reasonable repair, or otherwise useless, the Administrator responsible for the equipment should notify the Property Control Officer and initiate a deletion request and submit it to the Property Control Officer for approval.

- 5) TRADE-IN EQUIPMENT - When equipment is to be traded-in on new equipment, a description of the item or items to be traded-in, including the inventory number, shall be shown on the requisition for each purchase of such new equipment and reported to the Property Control Officer on a Fixed Asset/Equipment Change Report.
- 6) EQUIPMENT LENT TO ANOTHER ADMINISTRATOR - An Administrator loaning equipment to another Administrator will provide documentation to the Property Control Officer that includes the inventory number, description, serial number, purpose of the loan, and duration of loan.
- 7) EQUIPMENT LOANED TO BERLIN C.S.D. BY A VENDOR OR GOVERNMENT AGENCY – The Administrator who will assume responsibility for the asset must submit a written list of the equipment to the Property Control Officer to have on file and must also report any changes to original list.
- 8) DAMAGED, MISSING, OR STOLEN PROPERTY - Administrators are required to report any damaged, stolen, or missing items as soon as required to the Property Control Officer for proper action. Each Administrator will notify the Property Control Officer within 24 hours of identifying missing equipment. Stolen property must be reported to the proper police authorities within 48 hours of identifying a theft of personal property.
- 9) DELETION OF INVENTORY - If property must be deleted from the inventory (due to loss, theft, destruction, obsolesce, etc.), the Property Control Officer should be notified and provided with a Fixed Asset/Equipment Change Report with justification for the deletion request.
- 10) SURPLUS ITEMS – All items determined to be surplus will be reported to the Microcomputer Technician who in turn, will report the items to the Property Control Officer.
- 11) USES OF DISTRICT PROPERTY - District property shall be used only for official business. No employee of the District shall use it for his or her own personal benefit or pleasure except books and materials from the library and other such items of well-established use. Any off-campus use of District equipment must have proper authorization and prior written approval of the Property Control Officer.
- 12) GIFTS OF PROPERTY OR EQUIPMENT - All gifts or offers of property or equipment to the District must be reported to the Property Control Officer upon formal acceptance. When the Property Officer is notified in writing of the acceptance, gifts will be given an inventory number and will be tagged, if possible.