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Before we get started...

- Find and save your seat
- Get a marker and post-it note
- Write down one important question that you need to know about inventory management
- Put the post-it note on the chart entitled:
"Important Inventory Management Questions"

Georgia Department of Education

Guidelines for Implementing and Monitoring Inventory in Federal Programs

Georgia Department of Education
GCEL Conference
February 26-28, 2018



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Georgia's Systems of Continuous Improvement



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Function of Inventory

- Why do we need to have an equipment inventory?

- **Turn and Talk**

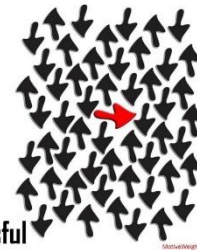


- Is the equipment being used?
 - What is the condition of the equipment?
 - Which items are being repaired?
 - What items need to be disposed of?
 - Is there a need for additional equipment?

Inventory Management Procedures

- What is a procedure?
 - A series of steps to be followed as a consistent and repetitive approach to accomplish an end result
 - Procedures...
 - Have a narrow focus
 - Are subject to change and continuous improvement
 - Are detailed description of activities
 - Contain statements of how, when and/or who and sometimes what
 - Detail a process

F-Follow
O-one
C-course
U-until
S-successful



Inventory Management Procedures

- Components:
 - Acquisition of equipment
 - Method for entering information into inventory management system
 - Physical inventory
 - Maintenance procedures
 - Off-site use of equipment provisions
 - Loss, damage or theft of equipment
 - Equipment disposition
 - Use of equipment in targeted assistance schools and other programs (private schools)

Acquisition

Question

The acquisition of equipment must follow the LEA's internal control procedures. What are the key components to purchasing equipment?

Turn and Talk



Acquisition

Answer

- Prior Approval
- Equipment is needed for identified area of need
- Meets requirements of the funding program
- Process for receiving equipment – checked in and processed for distribution

Entry into Management System

Question:

- What is needed to prepare equipment for use in school?
- Think and Answer





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Entry into Management System

Answer

- Equipment is properly tagged and labeled for inventory tracking
- Equipment should indicate funding source and property of respective school system
- Many districts indicate the fiscal year purchased
- Tagging of the equipment is sometimes completed by the IT staff (district office) and sometimes by the school. The school may even add a special tag for ease of identification



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Entry into Management System

Answer

- The school shall retain property (equipment) in a program as long as there is need for such property to accomplish the purpose of the program for which it was purchased. **Stays on inventory if still being used.**
- Equipment items with an acquisition cost/current per unit fair market value of **less than \$5,000** and **more than three years old** may be retained, sold or disposed, with no further obligation to the Department.

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Inventory Records

Inventory Requirements

- Description
- Serial Number
- Funding source (including FAIN), percentage of funding source
- Title (funding source)
- Vendor
- Acquisition date
- Unit cost
- Location
- Use
- Condition
- Disposition

Inventory Records

Sample Inventory															
ABC School															
Description	Vendor	Purchased Date	Purchased Price	Dated Included on Inventory	Identification		Funding/Title			Specific Location	Use of Equipment	Condition	Disposition Data	Date of Disposal	Physical Inventory Initial and Date
					Serial#	Decal #	Grant	% funded	FAIN						
ipad	Apple	8/1/2014	\$453	September-14	DYTKNTTJDFHW	1400335	Title II	100%		Room 621	Instruction	Good			
ipad mini	Apple	2/16/2-16	\$254	Mar-16	F9FRC4KAFCM5	1500209	Title II	100%	S010A150010	Room 234	Instruction	Good			
Scanner	CDW-G	3/16/2010	\$197	May-10	ABTM07708	1100309	SPED	100%		Room 102	Instruction	Poor			

Points of Discussion

- Date included on inventory – timely manner, month/year
- Identification number – can be both numbers
- FAIN Numbers – required for FY16 and beyond; Title II began FY15
- Location – specific, not just school name
- Poor Condition – decision about use

Inventory Records

Question

- How often should an inventory be updated?
- Think and Answer



Inventory Records

Answer

- Inventory must be updated as equipment items are purged or new purchases are made

Physical Inventory

Question

- What is a physical inventory and its requirements?



Physical Inventory

Answer

Definition:

- Actual on-site check of each piece of equipment on the inventory record

Purpose is to:

- Verify existence, current utilization, continued need, condition

Requirements are:

- Documentation of the date of the physical check and the signature of the person conducting the check
- Best Practice: Maintain the "working" papers to indicated the results of the physical inventory

Physical Inventory

Question

- How often should a physical inventory be conducted?

Answer choices:

- a. At least once every two years
- b. Georgia requires an annual physical inventory
- c. Whenever you feel it is necessary

Physical Inventory

Answer discussion:

- a. At least once every two years

The law (2 CFR Part 200.313 (d)(2)) states a physical inventory shall be taken and the results reconciled at least once every two years for equipment purchased with federal funds.

- b. Georgia requires an annual physical inventory

GaDOE requires LEAs to conduct a physical inventory of all Title I equipment at least once a year. The district includes in their procedures when this should take place. Other federal programs may also require an annual check.

- c. Whenever you feel it is necessary

District should conduct a physical inventory when a need arises, such as when there is a break-in or if a great deal of change has been implemented in the location of teachers.

Physical Inventory

Question

- Who is responsible for conducting the physical inventory?



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Physical Inventory

Answer

- Ultimately, the federal programs director and school principal are responsible for the on-going management and inventory of equipment. However, other staff could be designated to conduct the actual inventory check provided that they understand the requirements.

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Physical Inventory

Question

- What do you do when you find discrepancies in the inventory?



Physical Inventory

Answer

- Depends on the discrepancy
 - In another teacher's room
 - Move to the teacher who the equipment is assigned
 - Change on inventory
 - Missing Completely
 - Investigate....is it lost or possibly stolen?
- Procedures should be in place to ensure
 - Equipment is being used appropriately
 - Handling of missing equipment
 - Checking out of equipment and movement from room-to-room

Maintenance Procedures



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- Inventory management procedures should include adequate maintenance procedures to keep the equipment in good condition

SAMPLE

Equipment work orders are requested by the school's media specialist using electronic work request forms. The work orders are tracked using the *Tigerpaw* service order database. In cases where equipment repairs cannot be requested through normal work order requests, the school's inventory designee should seek guidance from the appropriate federal program department if equipment is permanently damaged or undergoing repair for an extended, unreasonable amount of time.

Disposition of Equipment

- Establish **written** procedures to be followed when equipment is no longer needed for the original program, the equipment may be retained, sold or disposed of if it is not needed in any other federally funded program
 - Title I should determine if needed for another Title I program first
- Documentation must be maintained for transferred/disposed of equipment

Disposition of Equipment

- Eliminating equipment from inventory
 - < \$5,000 or more than 3 years old: may be retained, sold or disposed, with no further obligation to GaDOE. Document on inventory list and maintain documentation.
 - > \$5,000: may be retained or sold and the GaDOE shall have the right to amount calculated by multiplying current market value or proceeds from sale share of equipment. (Note: To date, the GaDOE has not required this action of LEAs for the sale of Title I property.)
 - Disposition should be noted on equipment inventory and maintained by LEA including date of disposal, sales price or fair market determination method.

Disposition of Equipment

Question

- If an inventory item is lost, stolen, transferred, sold as surplus, or discarded in one year and an explanation is kept on file for that year, can the district completely remove the item from the inventory the next year?



Disposition of Equipment

Answer

- Records for real property and equipment acquired with federal funds shall be retained for three years after final disposition. 2 C.F.R. Part 200.333 (c) **However, GaDOE recommends that LEAs should keep records for at least five years after the final disposition of the item.** This documentation for disposal can be part of the inventory or kept separately – but must be kept.

Disposition of Equipment

Question

- What type of information is needed to be kept on file about property that is disposed of?



Disposition of Equipment

Answer

- The disposition of items that may be lost, stolen, transferred, sold as surplus, or discarded should be so noted on the equipment inventory
- Maintain records documenting the **serial number** or other information identifying the specific item sold, **the sale price**, and **any reimbursement** to the federal program
- The records also should describe whether the items that **were not sold were repurposed, retained or discarded**. A record of the date, reason, and method of disposal or sale must be maintained with the equipment inventory.

Loss, Damage, or Theft

- A control system must be developed to ensure adequate safeguards to prevent loss, damage or theft
- Share examples of adequate safeguards:



- Locks, security camera, logs, sign-in sheets
- Promptly enter items into inventory management system

Equipment in Targeted Assistance Programs

- Follow all the same procedures and processes as with equipment purchased for a schoolwide program
 - Based on needs
 - Purchasing procedures
 - Entry into inventory management system
 - Physical inventory
 - Safeguards for related to loss, damage or theft
 - Maintenance Procedures
 - Disposition policy
- Equipment purchased in a TA school must only be used for the identified students and their teachers

Equipment in Targeted Assistance Programs

Question

Can non-Title I students use computers or other items purchased with Title I funds?

Turn and Talk





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Equipment in Targeted Assistance Programs

Answer

- It is the LEA's responsibility to ensure and **document** that Title I students are using equipment the vast majority of the time
- Guidance: 90-10 rule – Title I students should be using the Title I equipment 90-percent of the time
- Be sure that the non-Title I use does not interfere with the intended purpose

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Equipment in Private Schools

- Follow all the same procedures and processes as with equipment purchased for a targeted assistance programs
 - Based on needs
 - Purchasing procedures
 - Entry into inventory management system
 - Physical inventory
 - Safeguards for related to loss, damage, or theft
 - Maintenance Procedures
 - Disposition policy
- Equipment purchased for private school students must only be used for the identified students and their teachers



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Equipment and Private Schools

- In addition to requirements that pertain to other TA programs, what is the District's responsibility with private school equipment use?
 - LEA must:
 - Order, appropriately label and deliver to private school...do not ship directly to the school
 - Assure that equipment (supplies) are stored in secure location when not in use
 - Maintain an inventory of all purchases
 - Conduct physical inventory...not private school responsibility
 - Retain ownership of all equipment



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Summary

Review questions stated on the
"Important Inventory Management Questions"

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