**Property and Equipment Management**

**Objectives**

The Asset Management System of Tacoma School District No.10 shall:

A. Provide for accountability of district land, equipment, vehicles and portable buildings through effective recording, accounting, transferring and disposing of these assets;

B. Establish physical control and management of equipment, vehicles and portable buildings;

C. Provide for risk management records to ensure adequate and proper loss coverage for equipment, vehicles and portable buildings.

**Responsibility for Control**

Building principals and department administrators are responsible for the control of the property assigned to them. Although delegation of responsibility to other employees may be reasonable in certain situations, such delegation will not relieve the administrator in that location for accountability and control of inventoried items. All employees who have been delegated responsibility for the property inventory must become familiar with the fixed asset policy, regulations and procedures established by the district.

**Responsibility for System**

The Purchasing Department has the tracking and accountability duties for operating the Asset Management System. The Purchasing Department will develop and maintain procedures for the implementation of this regulation.

**Definition**

Assets of the district which fall under these procedures include items such as equipment, vehicles, portable buildings, musical instruments and computers that meet all the conditions below.

A. Under normal conditions of use, including reasonable care and maintenance, it has an anticipated useful life of one year or more;
B. It retains its original shape and appearance;

C. It does not lose its identity through incorporation into a different or more complex unit or object;

D. The per unit cost is $5,000 (capitalization threshold) or more; or the per unit value (as determined by the Purchasing Department) is from $300 to $5000 and the item is classified as being small and attractive (theft sensitive) by the Purchasing Department. At a minimum, the following assets are classified as small and attractive:

- Communications and Public Safety Equipment Optical Devices, Binoculars, Telescopes, Infrared Viewers, and Rangefinders
- Cameras and Photographic Projection Equipment
- Microcomputer Systems, Laptop, Tablet and Notebook Computers
- Other IT Supplementary Equipment and Components (Scanners, Data Displays, etc.)
- Office Equipment (Digital Time Clocks, etc.)
- Television Sets, DVD players, and Video Cameras (Home Use Type)
- Power and shop tools

E. Musical Instruments are assigned a unique number in the Asset Management System when purchased. These items are not barcoded; however, it is the responsibility of the school principal to ensure that musical instruments are tracked and inventoried within their school. When these instruments are checked out to students, some type of log to verify instrument check out and return must be utilized. For assistance, schools should contact the Purchasing Department.

Valuation

A. Cost at Time of Acquisition

Assets should be recorded at their historical cost which includes not only the purchase price but also any other charges incurred to place the asset in its intended location and condition for use. Examples of these costs include the following:

1. Transportation fees
2. Sales tax
B. Donated Assets

Equipment donated in accordance with district policy and regulations must be reported to the Purchasing Department at their estimated fair value as of the date of acquisition and shall be subject to fixed asset inventory control and procedures.

Annual Physical Inventory Schedule

The Purchasing Department will conduct an annual physical inventory of all fixed assets of the district. At the conclusion of the physical inventory, building principals and department administrators will be provided with a copy of the annual inventory that lists all assets that have been assigned to that site, and which clearly identifies all assigned items that were not found during the physical inventory. Principals and department administrators are required to attempt to locate items that have been listed as missing. Within 15 working days, principals and department administrators are required to return a copy of the inventory report to the Purchasing Department showing which items have been located and which are still missing. The missing items will be consolidated on a report of potential write-offs. The Chief Financial Officer will review the report and approve the total amount of assets to be written off. The items will then be removed from the Asset Management System.

Audit

The district’s internal auditor will review the Asset Management System for accuracy and for compliance with the fixed asset policy and regulation.

Equipment Acquisition

Fixed Asset purchases must be initiated with a requisition and procured using the District Financial System. The direct purchase of fixed asset equipment is not authorized.

Equipment Identification

Assets will be individually marked with a unique bar coded number and identified as property of the district.

All equipment meeting the requirements will be identified and marked upon receipt, at the district’s Purchasing warehouse receiving site, or location approved by Purchasing.

All fixed assets including those defined as small and attractive must be received and bar-coded by Purchasing. Shipping such items directly to the school or site will not be allowed.
**Equipment Check-out**

Individual employees who are granted custody of any fixed asset equipment must complete and sign a District Equipment Check-Out form. This requirement applies for all equipment, including laptop computers and other small and attractive devices. The responsible administrator (principal or department head) shall ensure a file copy is maintained at the site and that copies of the completed forms are sent to Purchasing so the name of the individuals can be associated with each equipment item in the Asset Management System.

**Equipment Check-in**

Prior to the transfer or departure of an employee from the assigned school or department, it is the employee’s responsibility to turn-in the equipment. The return of equipment by an employee shall be annotated on the District Equipment Check-Out form in the space provided. The responsible administrator will ensure the Purchasing Department is notified so the Asset Management System can be updated.

**Fixed Asset Equipment Theft/Damage/Loss Reporting Form**

Individual employees who are granted custody of any fixed asset equipment are responsible for reporting any theft, damage or loss of equipment using a District Theft/Damage/Loss Report form available on the Purchasing Department web page. This report shall be routed through the responsible administrator and submitted to the Purchasing Department for review and appropriate action, including possible reimbursement for equipment repair or replacement, within thirty (30) calendar days of the loss to be considered for reimbursement. Purchasing will update the Asset Management System as appropriate and maintain a copy of all Theft/Loss/Damage Report forms received. Employees who remove equipment from District property will be held responsible for any theft, damage or loss of equipment while it is off-site.

**Reimbursement for Stolen/Damaged/Lost District Equipment**

Loss must occur from a specific known event and must be reported to the Security Office and Tacoma Police Department within ten (10) working days of the occurrence or knowledge of the event. Losses which occur during vacation periods must be reported to the Security Office and Tacoma Police Department within ten (10) working days after school reopens. Upon receipt of a completed Theft/Damage/Loss Report form, the Purchasing Department will enter the current value of the equipment and determine what, if any reimbursement will be provided.
Reimbursement is based on the actual current value of the equipment in the Asset Management System. The loss must exceed $300 to be considered for reimbursement. A deductible of 10% of the value of the loss (minimum $100 up to maximum of $500) will be used to determine the compensation amount. Approved claims will be funded through the equipment budget to the appropriate school or department. The reimbursement amount for repairs is limited to the calculated compensation amount or the actual cost of repairs, whichever is less.

Items which “disappear” over a period of months or years, will not be reimbursed because the loss must occur from a specific known event. Items not listed in the Asset Management System will not be covered. Replaced items which are recovered at a later date will be re-entered into the Asset Management System and inventory. For the loss of personal property, refer to District Regulation 6540R, School District’s Responsibility for Privately Owned Property.

**Record Keeping**

The basic system to assist in record keeping and controlling the inventory shall consist of transaction forms (electronic or hard copy) and reports indicating inventory status and activity.

The Fixed Asset Management System will be used to manage fixed assets. The system will maintain a record of inventory dates, additions to inventory, transfers of inventory, and deletions of inventory based on the input of data to the system for these events.

All District property items lost or stolen will be reported to the Purchasing Department using the Theft/Loss/Damage Report Form available on the Purchasing Department web page.

**Annual Reports to the Board of Directors**

A report will be submitted to the board of directors annually that identifies equipment not accounted for.

**Assets from the Capital Projects Fund, Grant Fund and Associated Student Body Fund**

Assets purchased by Capital Projects Fund, Grant Fund and Associated Student Body (ASB) Funds will be included in the Fixed Asset Management System.

**Monthly Reconciliation**

The Accounting and Treasury section of the Finance Department will perform a monthly reconciliation of the capitalized fixed assets in the Fixed Asset Management System to ensure that the total amount reported in the general fixed asset account group in the financial system
matches with the total amount of capitalized fixed assets in the Fixed Asset Management System.

Transfer of Fixed Assets

The school or department initiating a transfer of fixed assets within the District will follow the district’s Fixed Asset Procedures which are published on the Tacoma School District Website.

Surplus of Fixed Assets

The school or department seeking to surplus fixed assets will follow the district’s Fixed Asset Procedures which are published on the Tacoma School District Website. Purchasing Department staff will update the Fixed Asset Management System to reflect that the item has been declared surplus. Surplus fixed assets will be disposed of in accordance with RCW 28A.335.180.

Grant of Surplus Property to Qualified Entities Serving Preschool through Twelfth Grade

RCW 28A.335.180 (2) authorizes school districts to grant surplus property to a federal state or local government entity, or indigent persons, at no cost on the condition the property be used for preschool through twelfth grade educational purposes. Requests for grants of surplus property must be approved by the Superintendent or designee. The recipient of donated property must make arrangements for pick-up and removal of the surplus property from the District.

Loan of Surplus Property to Qualified Entities Serving Preschool through Twelfth Grade

RCW 28A.335.180 (2) authorizes school districts to loan surplus property to a nonreligious, nonsectarian private entity on the condition the property be used for the preschool through twelfth grade education of members of the public on a nondiscriminatory basis. The owning department or school administrator is responsible for declaring non-technology equipment as surplus. The Technology Department is responsible for declaring any technology equipment as surplus. For purposes of this regulation, the “loan” of surplus property is defined as a grant of the temporary use of the property on the condition that the District retains ownership and the property must be returned to the District when it is no longer needed by the entity receiving the loaned property. Requests for the loan of District surplus property a qualified entity must be approved by the Superintendent or designee. Upon approval, the following steps are to be taken for the loan of District property:

- Contact the Purchasing Department about property to be loaned. Depending on the type of property being loaned, Purchasing may need to direct further steps prior to release of the property. For example, the hard drive in any computing equipment must be wiped
clean (Note: wiping the hard drive will remove the operating system as well as any stored data)

- Provide the barcode(s) of the item(s) to be loaned, the name, address, phone number and a contact person for the entity receiving the loan, and the expected duration of the loan to the Purchasing Department prior to releasing any property.

- Purchasing will change the location information for the loaned item(s) to the receiving entity and email a list to the receiving entity’s contact person.

- The entity receiving the loan will:
  
  o Be responsible for the pick-up and removal of surplus property from the District.
  o Be responsible for any costs necessary to operate or maintain the loaned property including any software or peripheral equipment needed to use the property
  o Be responsible for tracking and monitoring the property until it is returned to the District.
  o Be responsible for reporting any lost, stolen or damaged property to the Purchasing Department within five business days after they become aware of this.
  o Be responsible for an annual inventory of any loaned property within 15 business days after notification of this requirement by the Purchasing Department.
  o Be responsible for contacting Purchasing in the event any loaned property is no longer needed or usable.

- Purchasing will then follow standard surplus procedures for this property.

- The entity receiving the loan must return the loaned property upon request by the District.

Approved by Cabinet: 02/09/2016

05/06/2014