

SECTION 6.02 – CENTRAL INVENTORY PROCESSES

Contact: Purchasing @ Extension 4180

A. **Overview**

Board Policy 8360 states that “All equipment costing \$5000 or more should be identified with a permanent tag that provides appropriate District equipment identification. Theft sensitive equipment costing less than \$5000 should also be identified with a District Tag.” This policy further defines the requirement for such items to be systematically and accurately recorded as well as to be updated and adjusted annually.

All items of a value of \$5000 or greater are considered “fixed assets” and are subject to specific recording requirements in annual District financial reports. Items considered theft sensitive are recorded to avoid fraud and the potential for theft.

B. **References**

Section 6.01 – Overview of Annual Inventory Processes

Section 6.03 – Definition of Theft Sensitive Inventory

Section 6.04 – Site/Department Inventory Tracking Requirements

Section 6.05 – Moving of Central Inventory/Property Transaction Form

Section 6.07 – Surplus of Furniture, Equipment and Books

Policy 8360 – Property Records

C. **Theft Sensitive Items**

The nature of this type of asset is transitory and of a monetary value that warrant their inclusion in the central inventory. Theft sensitive equipment is defined in Section 6.03.

D. **Overview of Inventory Tag Issuance and Installation**

When an order for equipment is placed through the IFAS on-line system, Purchasing will assign tags for the items to be included in the equipment inventory. The tag number assigned to a particular item will be listed on the internal notes screen of your purchase order. Tags will be sent to your location with information pertaining to which items they are assigned (under certain circumstances equipment may be shipped with the District tag in place).

- **Physical Receiving of Assets to be Tagged**

When the asset arrives, you should inspect the item as usual, note the serial number (if applicable) and attach the appropriate inventory tag as soon as possible after delivery. Tags should be attached in a uniform location for ease of inventory (e.g. computers are tagged on the top, right front corner of the CPU). The tag number, description, serial number and room number should be provided to the person who will be computer receiving the equipment in IFAS.

- **Computer Receiving of Assets to be Tagged** – The Purchase Order Receiving Section of the IFAS training manual describes how to receive the equipment with the correct tag number, serial number, location and room number. Please be cautious to receive the tags to the correct line item(s) as the data entry into IFAS is paramount to the accuracy of the central inventory system and the simplification of the annual inventory process.
- **Verification of Central Inventory Items** – At school sites the IFAS receiving of central inventory items will be accomplished by site staff. The site staff will inform the Information Systems & Technology (IST) site technician who will verify the accuracy and note the room number in IFAS.
- **No Tags/Missing Tags** – If you did not receive tags to assign to your equipment, or if equipment is missing its tag, please contact Purchasing.

E. **Central Inventory Process at School Sites**

Annually the inventory must be verified. An electronically formatted document (Excel spreadsheet) of equipment in the District's central inventory system (IFAS) is prepared for each location by Purchasing and distributed. The IST technician will use this information to verify that each item is accounted for and that all equipment at their location is represented on the report. The Principal for each site should then review inventory exceptions and attempt to resolve issues. Purchasing is then notified of any items that need to be added, deleted or transferred.

The central inventory system contained in IFAS tracks fixed assets and theft sensitive items at each site. These items fall into two groups. The first group would include items that are assigned to a specific room number and do not move throughout the school year (i.e. computer CPUs). The second group would include items that are transitory in nature and while they may be assigned to a specific staff member they move throughout the site or are taken off site (transitory items). The annual inventory processes for each are defined as follows:

- **Items Assigned to a Specific Room Number** – On an annual basis the site IST technician will physically conduct a room to room inventory of the items assigned to specific room numbers. The technician will reconcile the results with the Property Transaction Forms and report any discrepancies to the principal and to Purchasing. **Please note that at any time during the year a staff member requests the relocation of an inventory item from one room to another (or to another site location) the principal shall require the submission of a "Property Transaction Form (PTF)**. The principal will approve/disapprove the relocation. All copies of approved PTFs will be provided to the site IST technician for relocation. The technician will update the inventory record in IFAS and maintain a record of all approved PTFs at each site.

- **Transitory Items** – The Principal shall establish a common site location and room number (usually the library) to assign to transitory theft sensitive items (i.e. digital cameras, lap top computers and PDAs or a LCD projector (Infocus, etc.) that travels from room to room on a cart. All such items will be coded to that room number within the central inventory system (IFAS). On an annual basis the principal shall coordinate a date/time with the IST technician in which all such transitory items are brought to a defined location to be included in the inventory process. The IST technician will scan and/or verify the accuracy of the inventory information including tag number, serial number, description, room number and location.
- **Reconciliation of School Site Inventory** – The principal will provide Purchasing with a reason, if possible, for missing equipment (for example lost, declared surplus, transferred to another location (identify), etc). Provide a copy of the associated Property Transaction Form.
- **Report Inventory Results to Purchasing** – The site IST technician will submit the corrected inventory document to Purchasing per instructions.

F. Central Inventory Process for Departments and Categorical Programs

Annually, or more often if necessary, the inventory must be verified. An electronically formatted document (Excel spreadsheet) of equipment in the District's inventory system is prepared for each department and categorical program by Purchasing and distributed via e-mail. The department or categorical budget authority will use this information to verify that each item is accounted for and that all equipment at their location is accurately represented on the report. The process includes the following required elements.

- **Locating All Equipment Included on the Electronic Inventory Report** – Verify that equipment tag is the same as equipment description. (For example, if the report states that tag #01020 is a digital camera, but the tag is actually on a computer, that variance needs to be reported for correction in the fixed assets system.) Verify the accuracy of the noted information including the description, serial number, make, model and room number. Record all discrepancies on the electronic document.
- **Provide Data for Items that are not Listed on the Inventory Report** – Tag number, description, serial number, make, model, room number, etc.
- **Reconciliation of School Site Inventory** – The department manager or budget authority will provide Purchasing with a reason if possible for missing equipment (for example lost, declared surplus, transferred to another location (identify), etc). Provide a copy of the associated Property Transaction Form.
- **Report Inventory Results to Purchasing** – E-mail electronic document to Purchasing per instructions.