Washington County School District
121 West Tabernacle Street
Saint George, Utah 84770
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District Policy 6100

Inventory Management and Maintenance

Inventory Management and Maintenance, Washington County School District (Approved 9-11-01)

1. Purpose

Inventory personnel and school principals (see section 5120-3 of District policy) are responsible for tracking, monitoring, and safeguarding all inventory within the District. Tracking of all inventory will increase accountability and avoid potential loss, replacement, and displacement.

2. Policy

2.1. Inventory maintenance is to comply with government auditing standards to avoid penalty and reduction in state funding.

2.2. Only District-approved equipment and software may be used for the tracking and maintaining of inventory.

2.3. Inventory is not to be altered, removed, or destroyed without appropriate District Office approval.

2.4. Inventory is not to be loaned or rented without appropriate Principal or District Office approval. (See section 5200-3.8 of District policy.)

2.5. Inventory purchased with categorical funds for special programs is not to be transferred outside the program area without District Department approval.

2.6. Depreciable balances for all District buildings and inventory are to be calculated and maintained according to GASB Statement #34.

2.7. A complete inventory of all classrooms and offices is to be done at the end of each school year to verify inventory accuracy. This is to include all fixed assets, textbooks, instructional supplies, etc.

3. Procedure

3.1. Definitions

3.1.1. Categorical funds means funds allocated from specific monies or grants only for use by designated specialized programs.

3.1.2. Depreciation means a method for allocation of the cost of buildings and equipment over time. Generally accepted accounting principles and federal regulations dictate that the value of capital assets must be written off as an expense over the life of the asset as an indirect cost.

3.1.3. Disposition means the final status of an asset (e.g., sale, scrap, donation, transfer to another school, school district, etc.) when it is removed from the inventory of assets.

3.1.4. Fixed Asset (Capital Asset) means an item that is permanent in nature, having a life of at least two years, is tangible, and must work as an independent unit. These types of assets include moveable equipment, buildings, building components, land, and land improvements.

3.1.5. GASB #34 means the Government Accounting Standards Board Statement 34 that establishes new accounting and financial reporting standards for states, towns, villages, and special-purpose governments such as school districts and public utilities.

3.1.6. Gift-in-Kind means an item of tangible or intangible nature other than cash or securities. The gift can be something consumable or non-consumable.

3.1.7. Inventory means property, equipment, or materials owned, and its aggregated value.

3.1.8. Obsolescence means that an item is no longer useful.

3.1.9. Surplus means that an item is no longer needed by the department in which it was originally obtained.

3.1.10. Threshold Level means the monetary value beginning point assigned to inventory that will be tracked and maintained on an inventory system.

3.2. Inventory Management. Inventory personnel are responsible for the monitoring and safeguarding of inventory in accordance with the following guidelines:

3.2.1. Conduct required district inventory audits at all District locations to include warehouses, schools, maintenance facilities, office locations, etc.

3.2.2. Compile data from sources such as contracts, purchase orders, invoices, requisitions, and accounting records to maintain inventory records.

3.2.3. Compile and maintain inventory records as needed for tracking, auditing, and maintaining inventory.

3.2.4. Verify that all inventory purchased by schools and departments is processed according to procedure.

3.2.5. Complete required reports in accordance with district, state, and federal requirements.

3.2.6. Review files to determine recommendation for surplus, obsolete, and non-functioning inventory.

3.2.7. Update and maintain the "Purchase Order and Inventory Maintenance Handbook".

3.2.8. Complete all inventory procedures in an expedious and professional manner in accordance with District policy and Utah state law. (Link to State Code)

3.3. Purchase Order and Inventory Maintenance Handbook. School/department employees delegated with the responsibility of inventory maintenance are responsible for following the procedures in the "Purchase Order and Inventory Maintenance Handbook."

3.4 Gifts-in-Kind. All donated items should be processed through the Inventory Control Department if they meet the requirements according to the "Fixed Asset Threshold."

3.5 Loaning Inventory. Form 230 "Check-in and Check-out of Fixed Asset Equipment" should be completed when a principal or District Office personnel loans inventory to an individual or organization. (5200-3)

3.6 Transferring Inventory. Form 525 "Inventory Change Report" should be completed and sent to the Inventory Control Department with a copy to the appropriate school/department inventory contact person and the appropriate department head.

3.7 Surplus Inventory

3.7.1. Surplus inventory is intended for school use only.

3.7.2. Prior to declaring inventory as surplus, the Inventory Control Department should be contacted to verify whether a transfer to another school/department is appropriate.

3.7.3. Inventory officially deemed "surplus" must have a "Surplus Equipment or Furnishings" form completed and sent to the Inventory Control Department with a copy to the appropriate school/department inventory contact person and the appropriate school/department head.

3.7.4. The Purchasing/Inventory Department has been authorized to sell or trade surplus inventory. This may be done by sealed bids, auctions, or sales to the public.

3.8. Repair of Inventory and Facilities

3.8.1. Repair of all inventory and facilities are generally handled by the Maintenance and Custodial Department.

3.8.2. Work orders are to be submitted to the Head Custodian, Principal of the school, or appropriate department personnel only.

3.8.3. The Maintenance Department will be responsible for repairs only on the mechanical systems in the buildings. These systems include heating and cooling systems, electrical distribution systems, plumbing systems, and building control systems.

3.8.4. The Custodial Department will be responsible for the repairs of roofing systems, parking lot asphalt, or items that pertain to the grounds.

3.8.5. The Maintenance and Custodial Departments will make arrangements for repairs and assist in replacement, condemnation, and disposal of inventory.

3.9. Condemnation of Inventory

3.9.1. Only those who have been authorized to condemn inventory may do so according to the guidelines as set forth in Section 7 of the "Purchase Order and Inventory Maintenance Handbook".

3.9.2. Reasons for condemnation of inventory are not limited to, but may include the following:

3.9.2.1. Repair parts are no longer available or cannot be made without difficulty, or the cost of repair exceeds the value of the item.

3.9.2.2. The item does not meet safety standards and cannot be upgraded, or the cost of the upgrade exceeds the value of the item.

3.9.2.3. The item has exceeded its useful life.

3.9.3. All inventory deemed "condemned" must have a "Condemnation Form" completed and sent to the Inventory Control Department, along with a copy to the appropriate school/department inventory contact person and the appropriate school/department head.

3.9.4. Donated items will not be condemned unless they have been listed as inventory for a period of one (1) year. Condemnation of these items will require a written statement from the Principal or Department Director, identifying the need for condemnation.

3.9.5. A request for replacement of condemned inventory must be accompanied by a "Condemnation Form."

3.10. Disposition of Inventory. At the end of each school year, all Principals shall furnish to the Superintendent, Business Administrator, or Inventory Control Department a list of all inventory that has been damaged, broken, or has no useful life. They will then be reviewed and disposed of accordingly.

3.11. Disposition of Books

3.11.1. At the end of each school year, all Principals shall furnish the Superintendent, Inventory Control Department ,and the Elementary Education Department a list of books and materials that have been damaged, have no useful life, or are no longer needed. They will then be reviewed and disposed of accordingly.

3.11.2. Principals, secretaries, teachers, custodians, etc. are not authorized to dispose of any books or materials without appropriate District approval.

3.11.3. All books should be disposed of according to Utah Regulation Code 53A-12-207.