Inventory Management Policy and Procedure

PITTSFIELD SCHOOL DISTRICT (SAU 51): Inventory Management Policy and Procedure
(In accordance with 2 CFR § 200.313(d))

Purpose

To ensure proper management, accountability, and safeguarding of equipment purchased in whole or in part with federal funds, in compliance with Uniform Guidance (2 CFR § 200.313). This procedure applies to all departments, programs, and schools within SAU 51 receiving federal grant funding.

I. Definition

Equipment means tangible personal property (including information technology systems) having:

- A useful life of more than one year, and
- A per-unit acquisition cost of **$5,000 or more** (or a lower threshold as established by the District).

Supplies are items with a shorter useful life or a per-unit cost below the threshold.

II. Responsibilities

- **Business Administrator** – Oversees inventory system, approves equipment purchases, and ensures compliance with federal and state requirements.
- **Grant Manager/Program Director** – Verifies that equipment purchased with federal funds is allowable, allocable, and reasonable; maintains supporting documentation.
- **Building Principal/Site Manager** – Ensures equipment is properly tagged, tracked, and secured at the school level.
- **Custodian of Property** – Individual assigned to maintain and annually verify inventory records.

III. Inventory Record Requirements

The District will maintain a **Property Inventory Record** for all federally funded equipment that includes:

1. Description of the property
2. Serial number or other identification number
3. Funding source (federal program and grant number)
4. Titleholder (Pittsfield School District)
5. Acquisition date and cost
6. Federal share (percentage of federal participation)
7. Location, use, and condition of the property
8. Date of disposal and sale price (if applicable)

All records shall be retained **for five (5) years** after final disposition of the equipment.

IV. Equipment Use

1. Equipment must be used **for the program or project for which it was acquired** as long as needed, whether or not the project continues to be federally funded.
2. When no longer needed for the original program, the equipment may be used in other federally supported activities, giving priority to those funded by the same federal agency.
3. Equipment may not be used for personal purposes.

V. Physical Inventory

A **physical inventory** must be conducted **at least once every two years** and reconciled with the property records.

- The **Business Administrator or designee** will lead the review.
- Discrepancies will be investigated and documented.
- Inventory reports shall be signed and dated by the reviewer.

VI. Safeguards and Maintenance

- Reasonable safeguards must be in place to prevent loss, damage, or theft.
- Any loss, damage, or theft must be **immediately reported** to the Business Administrator and local authorities (if appropriate).
- Equipment must be maintained in good condition through routine care, servicing, and repair.

VII. Disposition

When equipment is no longer needed for any federally supported program:

1. The **Business Administrator** determines whether the property has residual value.
2. If the current fair market value exceeds $5,000, the District may sell the item and must **reimburse the federal agency** its proportionate share.
3. Items with a fair market value under $5,000 may be retained, sold, or disposed of with no further obligation, provided documentation of method and date of disposition is retained.
4. Disposition must be pre-approved by the grantor when required.

VIII. Record Retention

All documentation related to acquisition, use, inventory, maintenance, and disposition will be retained **for a minimum of five years** after final disposition or as otherwise required by state or federal regulation.

IX. Monitoring and Compliance

The Business Administrator will:

- Review inventory reports annually,
- Ensure periodic audits are completed, and

- Provide training to staff responsible for inventory control.

Findings of noncompliance will result in corrective action, up to repayment of disallowed costs.