



Maryland State Department of Education  
Division of Career and College Readiness  
200 West Baltimore Street  
Baltimore, MD 21201

**Procedures Manual**

**for**

**Career and Technology Education**

**Equipment Inventory**

**October 2009**

## INTRODUCTION

The primary purpose of the Maryland State Department of Education (MSDE) –Division of Career and College Readiness (DCCR) Equipment Inventory is to allow all recipients of federal Career and Technology Education (CTE) funds to accurately and efficiently report equipment purchases.

## DEFINITION

For purposes of this manual, equipment is defined as tangible property having a useful life of more than one year and an invoice acquisition cost of \$5,000.00 or more including any attachments, accessories or auxiliary apparatus necessary to make the equipment usable for the purpose for which it was intended.

Sensitive equipment under a \$5,000.00 may also be included under this equipment definition. Examples of sensitive equipment include: computers costing less than \$5,000, PDAs, digital cameras and any digital electronic equipment. If you are not sure what falls under sensitive equipment please contact the MSDE/DCCR Inventory Control Officer. The inclusion or omission of sensitive equipment should be in accordance with local school system/community college procedures.

Eligible equipment includes that which was purchased wholly or in part with federal CTE funds. Below you will find a flow chart to aid in distinguishing between equipment and supplies:

### Flow Chart for Distinguishing Equipment from Supplies <sup>1</sup>

	Yes	No	
Lasts more than one year?	▽	→	
Better to repair rather than replace?	▽	→	
Independent unit rather than being incorporated into another item?	▽	→	<b>Supplies</b>
Exceeds minimum dollar value?	▽	→	
Sensitive equipment?	▽	→	

### Equipment

<sup>1</sup> James Bliss, Ph. D. , Assistant Superintendent for Business Services; Grandview Consolidated School District - Grandview, MO and Stuart Grap, CPA, American Institute for Certified Public Accountants (AICPA)

## GENERAL INFORMATION

All recipients of federal CTE funds will designate one staff member to serve as a contact person for equipment inventory purchased with federal CTE funds. This person will be responsible for coordinating, signing and reporting all equipment inventory information. Please notify MSDE/DCCR whenever the responsible contact person changes.

All status changes for equipment are made on the Equipment Inventory Report (MSDE-CTAL -213-15). This form is used to report new equipment purchases at the end of each fiscal year. This form will also be filed with MSDE/DCCR to request permission for the trade, sale, transfer or disposal of equipment **prior to taking these actions** and whenever equipment is stolen or damaged.

The reference to State Categorical equipment on the Equipment Inventory Report (MSDE/DCCR-213-15) is for disposition purposes only. Following the Bridge-to-Excellence in Public Education Act of 2002, the state aid set aside for career and technology education, known as State Categorical funding, became part of the comprehensive aid to school systems, along with other specified set aside funding amounts. School systems received state aid based on principles of adequacy and equity rather than specified categorical set asides.

Directions for the completion of the Equipment Inventory Report are outlined on the back of the form and are included as a part of this manual. Once the report is submitted to MSDE/DCCR, equipment inventory tags will be issued. Upon receipt, equipment inventory tags should be affixed to the equipment as soon as possible.

To insure safe keeping, copies of equipment records should be stored in accordance with local school system/community college procedures. Local equipment records should match the equipment records on file with MSDE/DCCR. Discrepancies between the records could be noted as an audit finding.

**A physical inventory will be taken at least once every two years to verify the existence, current utilization, continued need and condition of equipment. Local records will verify compliance with this inventory provision. Failure to do so could result in an audit finding.**

**Equipment purchased with federal CTE funds is to be used and housed in the CTE program for which it was purchased. Equipment identified as CTE equipment located elsewhere should be returned to the designed CTE program as soon as possible.**

Following an equipment audit, any findings requiring reimbursement to MSDE must be satisfied using non-federal funds.

## **SUBMISSION**

Inventory must be submitted on the Equipment Inventory Report form (MSDE/DCCR-213-15) by September 30 following the fiscal year completed on June 30. Please submit the inventory report on a continuous basis when equipment is received throughout the fiscal year.

The Equipment Inventory Report (MSDE/DCCR-213-15) should be submitted electronically via MSDE's DocuShare using the user name and password assigned to the school system/community college. The DocuShare website is: <http://docushare.msde.state.md.us/docushare/dsweb/HomePage>. Please send an e-mail to the MSDE/DCCR Inventory Control Officer once the document has been uploaded to DocuShare.

Failure to submit the Equipment Inventory Report by the due date could jeopardize future payments against Federal funds until the report is received or the grant period ends, whichever comes first.

## **EQUIPMENT ACQUISITION**

### **1. Inventory Submission**

\* By September 30<sup>th</sup> of each year, all recipients will submit equipment inventory information on the Equipment Inventory Report (MSDE/DCCR-213-15).

\* Included are all items of equipment costing \$5,000.00 or more, including equipment which is being leased, or leased with an option to purchase, and any items designated as Sensitive Equipment.

\* Recipients who choose not to acquire equipment with federal CTE funds must still submit a signed form with a brief written statement indicating that no equipment was purchased for that year

### **2. Inventory Tags Issued**

\* Upon receipt of the Equipment Inventory Report, numbered inventory tags will be issued.

\* Lease or lease to purchase equipment will not be issued tags until ownership is effective.

\* Each equipment tag must be installed on the corresponding piece of equipment as listed on the Equipment Inventory Report. It is the responsibility of the local recipient to install tags immediately upon request.

\* An acknowledgement receipt will be issued along with the equipment tags. This receipt should be signed and returned to the MSDE/DCCR Inventory Control Officer.

## **EQUIPMENT DISPOSITION**

Disposition procedures vary depending upon the method of disposition. For any means of disposition, a completed Equipment Inventory Report form is required. In general it should be noted that:

- \* Equipment which is to be transferred, sold, traded or discarded because of obsolescence requires the **prior** permission of MSDE/DCCR.
- \* Any equipment disposed of without such prior permission will be subject to a surcharge of fair market value for non-compliance.
- \* When a program is terminated, the equipment assigned to that program shall be disposed of properly within one year according to the procedures outlined herein.

Specific disposition procedures are outlined below:

### **Traded (Disposition Code 01)**

Equipment to be traded should be listed on the Equipment Inventory Report with a disposition code of 01. Please attach a statement to the report form explaining the transaction.

Upon receipt of permission to trade equipment, the numbered tag should be removed and returned to MSDE/DCCR if possible. If this is not possible, please notify MSDE by e-mail, so that we can best advise how to handle the matter.

### **Sold (Disposition Code 02)**

Before the sale of any equipment, contact MSDE for approval. Equipment to be sold should be listed on the Equipment Inventory Report with a disposition code of 02. An explanation of why the recipient no longer has a need for the equipment must be attached. Before approval to sell equipment is granted by MSDE/DCCR, all other local recipients should be apprised of the equipment's availability. This can be done by contacting CTE Local Directors/Community College Perkins Contacts and notifying them of equipment availability. If the equipment can be used in other eligible programs, this should have priority over public sale.

Once permission to sell the equipment has been received, the sale must provide for competition and result in the highest possible return. Depending upon the equipment to be sold, a threshold or floor may be established for minimum bids. The sale should take place for no less than the fair market value of the equipment. Following the sale, forward to MSDE/DCCR the following information:

- Advertising documentation
- Names of bidders, provide written documentation of bidders
- Name of the winning bidder
- Amount of proceeds from the sale

Upon receiving this information a determination of federal reimbursement obligation for net funds (if any) will be made. Proceeds from the sale of equipment should be placed into a restricted account and used solely for the purchase of equipment for CTE programs. Such purchases will then be reported as per these guidelines.

### **Stolen (Disposition Code 03)**

Upon recognition of any loss or stolen equipment an investigation and fully documented write up should take place followed by a police report. A signed police report is required and should be attached to the Equipment Inventory Report with a disposition code of 03 listed. A statement explaining what happened including date and time should also be attached.

### **Transferred - Active (Disposition Code 04)**

Equipment to be transferred should be listed on the Equipment Inventory Report with a disposition code of 04. Unless otherwise authorized by MSDE/DCCR, equipment may only be transferred to an approved CTE program. The form should clearly indicate the school/college building and program from which the equipment is being transferred and the school/college building and program to which the equipment is being transferred. Please attach an explanation of the transfer.

### **Vandalized-Fire-Flood (Disposition Code 05)**

Equipment which has been damaged should be listed on the Equipment Inventory Report with a disposition code of 05. Please attach both a statement of explanation and a police/fire/insurance report as appropriate.

For equipment which is determined to be beyond repair, a determination should be made to sell in accordance with procedures above.

## **Discarded as Obsolete (Disposition Code 06)**

For items which no longer have use in the program, request should be made for sale or transfer as described above. Items which are determined to have no value as based upon condition, years of service and use should be discarded.

These items should be listed on the Equipment Inventory Report with a disposition code of 06. The form should be accompanied by a statement which describes the condition and use value of the equipment.

Once permission for disposal as obsolete has been given, tags for the item(s) should be removed and returned to MSDE/DCCR if possible, or destroyed.

**EQUIPMENT INVENTORY REPORT**  
**MSDE-DCCR-213-15**

**BY SEPTEMBER 30<sup>th</sup> OF EACH YEAR  
 RETURN COMPLETED FORM TO:  
DOCUSHARE**

**Maryland State Department of Education**  
 Division of Career and College Readiness  
 200 West Baltimore Street  
 Baltimore, MD 21201

**Report Submitted For:  
 (Check only one)**

Federal (Perkins) Fund  
 (For disposition purposes only)

State Categorical Funds

**Local Education Agency:** \_\_\_\_\_ **LEA/CC No.** \_\_\_\_\_

ITEM DESCRIPTION/MANUFACTURER	SERIAL #	EQUIPMENT TAG #	COST	ACQ. METHOD	SCHOOL#	CIP#	DISP	LEVEL	FISCAL YEAR

**Submitted By:** \_\_\_\_\_ **Date:**   
 Career and Technology Director/Instructional Dean

**Accepted By:** \_\_\_\_\_ **Date:**   
 Division of Career and College Readiness



