

**PROPERTY MANAGEMENT SYSTEM**

I. Implementation.

A. Property classifications.

1. *Equipment* means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the district for financial statement purposes, or \$5,000. The district's capitalization threshold for capital assets is \$5,000 or more. 2 C.F.R. §200.33.
2. *Inventoried equipment* means equipment and inventoried supplies that meet the following criteria:
  - a. Single unit cost of \$500.00 or more.
  - b. A service life of more than one year, non-consumable.
  - c. Retains original shape and appearance with use.
  - d. Not easily broken, damaged, or lost in normal use.
  - e. Ownership (leased items are not assets).
3. *Supplies* means all tangible personal property other than those described in §200.33 Equipment. A computing device is a supply if the acquisition cost is less than the capitalization level established by the district for financial statement purposes or \$5,000, regardless of the length of its useful life. 2 C.F.R. §200.94.
4. *Computing devices* means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information. 2 C.F.R. §200.20.
5. *Capital assets* means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:
  - a. Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases.

**PROPERTY MANAGEMENT SYSTEM (continued)**

- b. Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance). 2 C.F.R. §200.12.
- B. Inventory procedure.
- 1. The Distribution Services Department manages the inventory and distribution of equipment and supplies to new and existing district facilities.
    - a. Asset items purchased are identified in the purchase order as assets that must be inventoried.
    - b. The Receiving Unit in the Distribution Department receives and inspects assets purchased, verifying that the item matches what was ordered and in good condition.
    - c. Receiving Unit attaches a C-tag that contains a district identification barcode for every asset purchased.
    - d. Distribution Services delivers the item to the site or department.
  - 2. Strategic Sourcing and Contracts downloads receiver data from PeopleSoft for all assets received each week.
    - a. Data is reviewed to verify that all asset items have C-tags, serial numbers and asset descriptions. Coding accuracy is reviewed by the Financial Accounting Office.
    - b. Data is uploaded to the PeopleSoft Asset Management module.
    - c. Financial Accounting reviews uploaded data to ensure that assets are accurately coded.
    - d. Reports are generated from the Asset Management Module by Strategic Sourcing and Contracts and Financial Accounting as needed.
- C. Inventory records. All district asset records are maintained in the PeopleSoft Asset Management system. The Office of the Controller is responsible for maintaining accuracy of data in the Asset Management system.

**PROPERTY MANAGEMENT SYSTEM** (continued)

1. For each equipment and computing device purchased with federal funds, the following information is maintained in Asset Management in the PeopleSoft Financial system:
  - a. Description. The description must contain the item description, the make, and the model name or number (i.e., COMPUTER IBM THINKCENTRE).
  - b. District Property Number (C-Tag) (e.g., C000012345).
  - c. Acquisition Date. The date the property was acquired by the district.
  - d. Placement Date. The date the property was delivered to the school site or department.
  - e. Price. The cost of the asset.
  - f. Purchase Order or contract number.
  - g. Budget Number. The funding source used to purchase the asset. In general, split funding of assets is not allowed, however if absolutely necessary, if multiple funding sources are used, the federal share is noted in the comment section of the Asset Management system.
  - h. The district retains ownership title of all equipment purchased with district funds.
  - i. Location Number. The five-digit PeopleSoft site location number where the asset is physically located.
  - j. Serial Number. The manufacturer's serial number.
  - k. Manufacturer. The company that made the item (i.e., Mac computers are made by Apple Computers, Inc.)
  - l. Room Number. The room number where the asset is physically located.
  - m. Use and Condition of the asset is entered in the "Physical and Custom" attributes field of the Asset Management system.

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- n. Asset Status. Asset status in Asset Management is Received, In-Service or Disposed. When an asset is disposed, a comment record is created that contains the date of the disposal, and a disposal code as follows:

<b>CODE</b>	<b>DESCRIPTION</b>
A	Abandonment
C	Cannibalize for Other Assets
D	Disappeared Assets
E	Recycle
F	Disposal Due to Theft
I	Returned to Inventory
L	Like Kind Exchanged
M	Missing Asset
N	Donated to External Group
O	ARO Settlement
R	Scrapped Assets
S	Retirement by Sale
T	Traded in For Another Asset
V	Auto-Retire Fully Depreciated Asset
Y	Casualty Loss

(2 C.F.R. § 200.313(d)(1), see also, California Education Code 35168)

2. All district computing devices are stamped with the district logo as per contract with the supplier.
3. Physical inventory.
  - a. The Office of the Controller is responsible for all asset inventory.
  - b. A physical inventory of all district assets is conducted once every two years by an outside vendor.
  - c. The inventory report provided by the contracted vendor is reconciled with the assets in the district's PeopleSoft Asset Management System.
  - d. The Financial Accounting Department in the Office of the Controller is responsible for the reconciliation and adjustments needed as a result of the inventory.

**PROPERTY MANAGEMENT SYSTEM** (continued)

## D. Maintenance.

1. In accordance with 2 C.F.R. § 200.313(d)(4), the district maintains adequate maintenance procedures to ensure that property is kept in good condition.
2. For any equipment acquired in whole or in part with federal funds, the Superintendent or designee shall develop adequate maintenance procedures to keep the property in good condition. He/she shall also develop adequate safeguards to prevent loss, damage, or theft of the property and shall investigate any loss, damage, or theft. (2 C.F.R. § 200.313(d)(3))
3. Physical Plant Operations (PPO) is responsible for servicing and repairing all district-owned property and equipment, with the exception of computing devices which are serviced by Integrated Technology (IT) and for notifying sites when items are not repairable or are uneconomical to repair. When involved, PPO notifies the Distribution Services Department and Financial Accounting Department of any transfer of accountability affecting equipment.
4. The Integrated Technology (IT) Division is responsible for maintenance and support of electronic computing devices.

## E. Lost or stolen items.

1. The district maintains a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
2. Personal use of district equipment is prohibited; such equipment may be used only in connection with district projects. Personnel removing district equipment from the site are solely responsible for the safekeeping of all equipment and for returning it in good working order. (Administrative Regulation 3512)
3. Regulations for reporting property damage or loss, theft, burglary, or property damage.
  - a. Any incident of theft or serious non-accidental loss or damage of district equipment shall be reported to the School Police Services Department immediately upon discovery.

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- b. Every case of property damage, theft or loss shall be reported immediately to the department head or school administrator upon occurrence or discovery, on the “Property Damage or Loss Report” form. In addition, principal or department head prepares “Property Damage or Loss Report” forms and distributes copies according to instructions on form, giving as complete a description as possible on “Inventory Loss Form,” if necessary, including serial numbers and district property numbers when applicable, cost of lost or destroyed items (to aid in pricing), and charges for hours expended in cleanup due to acts of vandalism. Indicates person(s) responsible and, if desired, delegates responsibility for collection or restitution to the Risk Management Department in writing.
- c. If immediate repairs are required, telephones PPO work order desk.
- d. If loss consists of key(s) to building(s) or classroom(s), contacts the School Police Services Department to coordinate efforts for recovery before requesting replacement or rekeying.
- e. In the case of fire extinguisher loss or damage, a school need not wait for the Risk Management Department to supply the budget numbers before collection of reimbursement. Risk Management Supervisor should notify PPO to obtain replacement extinguishers.
- f. Risk Management Department receives copy of property damage report; reports loss to insurance carrier, if applicable.
  - (1) Determines if items damaged or destroyed will be reimbursed using Risk Management funds.
  - (2) Assembles total costs to be charged to person(s) responsible for damage and notifies the Financial Accounting Department.
  - (3) PPO schedules emergency service or repairs, if needed.
- g. School Police Services notifies the Risk Management Department upon recovery of any equipment.

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- F. Use of equipment.
1. Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the federal award. The district will not encumber the property without prior approval of the federal awarding agency and the pass-through entity.
  2. During the time equipment is used on the project or program for which it was acquired, the equipment will also be made available for use on other projects or programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired.
    - a. First preference for other use must be given to other programs or projects supported by the federal awarding agency that financed the equipment.
    - b. Second preference is given to programs or projects under federal awards from other federal awarding agencies.
    - c. Use by non-federally funded programs or projects is also permissible.
    - d. If the equipment will be regularly used for a second project or program, the district will allocate the cost to the two programs.
    - e. When no longer needed for the original program or project, the equipment may be used in other activities supported by the federal awarding agency, in the following order of priority:
      - (1) Activities under a federal award from the federal awarding agency which funded the original program or project.
      - (2) Activities under federal awards from other federal awarding agencies.
  3. Transfer of used furniture or equipment to the warehouse. When a school or department no longer needs equipment or furniture, it may be transferred to another site or department.

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- a. School site or department administrator completes online “Request to Transfer Equipment or Furniture Document.”
  - b. Request is routed to the Distribution Services Department.
  - c. The Distribution Services Department picks up the equipment or furniture from the site or department and takes it to the Warehouse.
  - d. Completed signed document is routed to the Controller’s Office.
  - e. Transfer is recorded in the PeopleSoft Asset Management Module.
4. A school or department may request used equipment or furniture online by completing a “Request for Used Equipment or Furniture Document.”
- a. The document is routed to the Warehouse.
  - b. If requested item is available, the Distribution Services Department delivers the requested item to the school or department.
  - c. Completed signed document is routed to the Controller’s Office.
  - d. Transfer is recorded to the People Soft Asset Management module.
- G. Disposal of equipment.
1. When it is determined that original or replacement equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, the Financial Accounting Department contacts the awarding agency (or pass-through for a State-administered grant) for disposition instructions.
  2. Generally, disposition of equipment is dependent on its fair market value (FMV) at the time of disposition.
    - a. If the item has a current FMV of \$5,000 or less, it may be retained, sold, or otherwise disposed of with no further obligation to the federal awarding agency.
    - b. If the item has a current FMV of more than \$5,000, the federal awarding agency is entitled to the federal share of the current market value or sales proceeds.



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- c. If acquiring replacement equipment, the district may use the equipment as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

II. References.

- A. 5 CCR 3946
- B. 2 C.F.R. §200.94
- C. 2 C.F.R. §200.12
- D. 2 C.F.R. §200.20
- E. 2 C.F.R. § 200.313
- F. 2 C.F.R. §200.33
- G. CA Education Code 35168
- H. CA Education Code 17540 -17555
- I. Administrative Regulation (AR) 3440, Inventories
- J. Administrative Regulation (AR) 3512, Equipment
- K. Administrative Regulation (AR) 3270, Sale or Disposal of Books, Equipment and Supplies

Regulation  
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SAN DIEGO UNIFIED SCHOOL DISTRICT  
San Diego, California