

Equipment and Inventory

Definition of Equipment

Every local educational agency (LEA) should have an approved definition of *equipment*. If there is none, the state of Georgia's definition of *equipment* applies as follows: *equipment* is "all items (machinery, implements, tools, furniture, livestock, vehicles, and other apparatus) with a unit cost of \$5,000.00 or more and a minimum useful life expectancy of one year. (*Please note that the definition in EDGAR includes a useful life expectancy of one year or more*). Freight charges and installation cost should be included as cost of equipment. *Sensitive minor equipment* is defined as "items purchased with a cost between \$100.00 and \$5,000.00." It includes sensitive items such as computers, external computer peripherals, weapons, etc., as determined by the State.

The LEA may decide to adhere to a definition for equipment that is more restrictive than this definition, but it cannot be less restrictive. The LEA must use the same definition for all equipment including, but not limited to, equipment used by nonpublic schools. The LEA cannot apply a more stringent standard for federal programs.

Guidelines for Equipment

Purchasing—Within the LEA Consolidated Application, LEAs will budget in the equipment line item sufficient funds for planned purchases of any items to be considered to be equipment by the above definitions (or the LEA definition if it is more restrictive). The LEA will maintain all supporting documentation: inventory records, purchase orders, receipts, and vendor contracts.

All purchases must be made in compliance with policies and statutes governing the LEA.

Allowable Equipment--*The LEA is responsible for assuring that only allowable equipment is purchased.* If in doubt, please call or submit a list of proposed purchases to the IDEA Program Budget Manager. However, prior approval in writing is required for items costing \$5,000 or more.

An LEA may purchase or lease equipment with IDEA funds if 1) it is reasonable and necessary to operate its federal program effectively, 2) existing equipment will not be sufficient and (3) the costs are reasonable.

A bar code or other type of secure tag must be affixed to identify each piece of equipment. The name of the LEA, the Title, and project year of the purchase is required unless the purchases are made as part of school-wide projects under IDEA regulations. Equipment items bought as a part of a school-wide program under Title 1 of the ESEA are required to have the following: the name of the LEA, the name of the school, the project year of the purchase, and *school-wide*. Please remember that if the LEA is using IDEA funds as part of a school-wide program, the appropriate form in their LEA Consolidated Application must have been completed and submitted with their Application.

All items purchased as equipment, including sensitive equipment, as well as materials and supplies must be accounted for in such a manner as to avoid fraud, waste, or abuse. These purchases will be reviewed as a part of the regular monitoring process.

Equipment Inventory (EDGAR Section 80.32)

The LEA must maintain an inventory of equipment purchased with federal grant funds until disposition takes place. The property/inventory records must include the following information:

- Description of the property;
- A serial number or other identification number;
- The source of the property;
- Who holds title;
- The acquisition date;
- Cost of the property;
- Percentage of Federal participation in the cost of the property;
- The location, use, and condition of the property, and;
- Any ultimate disposition data including date of disposal and the sale price of the property.

A physical inventory with reconciliation with property records is required at least once every two years. Also, an inventory control system must be developed and implemented to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated. Adequate maintenance procedures must be developed to keep property in good condition.

Equipment Requirements Concerning Private Schools (34 CFR §300.144)

The LEA must control and administer funds used to provide special education and related services under §300.137 through 300.139, and hold title to and administer materials, equipment, and property purchased with those funds for the uses and purposes provided in the Act.

The LEA may place equipment and supplies in a private school for the period of time needed for the Part B program. The LEA must ensure that the equipment and supplies placed in a private school:

- (1) Are used only for Part B purposes; and
- (2) Can be removed from the private school without remodeling the private school facility.

The LEA must remove equipment and supplies from a private school if:

- (1) The equipment and supplies are no longer needed for Part B purposes; or
- (2) Removal is necessary to avoid unauthorized use of the equipment and supplies for other than Part B purposes.

No funds under Part B of the Act may be used for repairs, minor remodeling, or construction of private school facilities.

Barcodes or secure codes must be put on equipment, and it must be labeled with the name of the LEA, federal program purchased under, and the year of purchase. An accurate inventory of this equipment must be maintained.

Disposition of Equipment (EDGAR 80.32)

Equipment may be disposed of with no obligation to the federal government, if **ALL** of the following criteria are met:

- (1) Equipment is no longer needed in the current program.
- (2) Equipment is not needed in other programs currently or previously funded by a federal agency.
- (3) Equipment item has a current per-unit fair market value of less than \$5,000.

If the LEA disposes of equipment with a fair market value of less than \$5,000, the proceeds must be used to support the program for which the equipment was purchased. The LEA must submit an equipment disposition summary to the State for review.

If the equipment's fair market value is more than \$5,000, the LEA must submit a cover letter with supporting documentation as per the forms provided for review and submission to the IDEA Budget Manager. Once approval is provided, the LEA may proceed with the disposition process. If items are to be sold after approval of the disposition, the proceeds must be used to support the program for which the equipment was purchased. Documentation of such sale and use for the program must be maintained.

If authorized or required to sell property, proper sales procedures must be established to ensure the highest possible return.