

## INVENTORY MANAGEMENT (PERSONAL PROPERTY)

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### I. GENERAL INFORMATION

#### **PURPOSE**

To establish an effective and efficient district-wide management program for the recording, inventorying, accounting, and disposal/disposition of personal property owned by Shelby County Schools.

#### **SCOPE**

This policy applies to all district-owned capitalized and sensitive personal property and non-capitalized personal property that is required to be inventoried. This includes items received through grants, gifts, donations or sponsorships. Such items, hereafter shall be referred to as personal property.

#### **DEFINITIONS**

**Abuse** - behavior that is deficient when compared to behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances and includes the misuse of authority or position for personal financial interests or those of an immediate or close family member or business associate.

Abuse does not necessarily involve fraud, or noncompliance with provisions of laws, regulations, contracts, or grant agreements (U.S. Government Accountability Office, Government Auditing Standards, July 2007.)

**Capitalized personal property** – district-owned personal property (including any leased item) that (1) has an acquisition cost/value of at least \$5,000; and (2) a minimum useful life expectancy of five (5) years or more.

**Disposal/disposition** - processes resulting in the removal of personal property from District records by transfer, donation, sale, or destruction (or other actions).

**Excess Personal Property** - personal property that may have useful life remaining, but is no longer required for use by a specific school or non-school location as determined by supervisors with budgetary authority (includes principals).

**Fraud** - an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable Federal or State Law.

**Non-capitalized personal property** – district-owned personal property that has an acquisition cost/value of \$4,999 or less.

**Obsolete Personal Property** – personal property that has reached the end of its useful life with the District that is (1) out of date; (2) unrepairable, (3) unserviceable; and/or (4) more economical to dispose of than to repair.

**Personal Property** – items other than real property used in the operations or activities of the District (e.g., machinery, tools, furniture, vehicles, band instruments, and other apparatus with a minimum useful life expectancy of five (5) years); and sensitive minor equipment (e.g., computers, external peripherals, and weapons). This shall not include miscellaneous items such as consumables (food), a stapler, tape dispenser, and computer mouse, etc.

**Physical inventory** - the process of actual counting, verifying and recording personal property owned by the District.

**Removed inventory** – personal property that is taken off of the active inventory of a specific school and/or non-school location.

**Report of Survey (ROS)** – process that investigates and accounts for the loss, damage, destruction, or theft of capitalized, sensitive and/or non-capitalized personal property.

**Retired inventory** – personal property that is permanently removed from the active inventory of the District as a result of disposal/disposition (see definition), loss, and/or theft.

**Sensitive Personal Property** – district-owned personal property regardless of value that requires special control and accountability due to unusual rates of loss, theft or misuse, or security considerations (e.g., laptops, iPads, and cameras).

**Surplus Personal Property** - personal property no longer having an intended use by the District or no longer capable of being used because of its condition and declared as such by the Superintendent or his/her designee.

**Waste** – the careless or needless expenditure of District funds or the consumption of District property, that results from deficient practices, systems, controls, or decisions. Waste does not necessarily involve fraud, or noncompliance with provisions of laws, regulations, contracts, or grant agreements.

### **POLICY STATEMENT**

It is the policy of Shelby County Schools to ensure the efficient and effective management of district-owned personal property (including leases). As an act of sound business practice, the District shall establish an inventory management program that ensures compliance with applicable statutory requirements and regulations; Board policies, administrative rules, regulations and guidelines; and contractual obligations. The District shall be accountable for all personal property under its control and shall be responsible for maintaining accurate inventory records of such property throughout its lifecycle with the District.

### **Training**

The District recognizes its responsibility for providing employees with opportunities to become equipped with the necessary knowledge to effectively satisfy the requirements of this policy and applicable federal, state, local, and District regulations. Training including but not be limited to management, inventorying, and excessing/disposal of equipment shall be made available for employees as appropriate.

### **Conflict of Interest**

It shall be prohibited for **any employee** (including their spouses, dependents or any other person acting on the behalf of the employee) of the District to purchase district-owned surplus personal property **absent a fair and open bidding process**.

District employees are further prohibited from receiving a financial/personal benefit based on non-public information that the employee has as a result of his/her employment with the District if such information is not public knowledge.

### **Sanctions**

The maintenance and management of district-owned personal property shall be in accordance with applicable Board policies, administrative rules and regulations, and guidelines. Violations of applicable policies, administrative rules and regulations, and/or guidelines may result in disciplinary actions up to and including termination from employment, legal actions, and/or restitution to the District.

### **Policy Monitoring**

The Superintendent or his/her designee shall monitor the implementation of this policy and routinely assess established inventory management processes to ensure optimal operational performance.

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## **II. EQUIPMENT (PERSONAL PROPERTY) MANAGEMENT**

Shelby County Schools shall ensure that appropriate systems are in place by which to manage personal property under its control throughout its lifecycle. Except as otherwise specifically provided by terms of a grant, gift, donation, sponsorship (see policy 2019 Grants, Gifts, Sponsorships, and Donations) or other obligation, all equipment placed in school and non-school locations, including by any group or organization, shall be considered the personal property of the District. This shall include equipment received from school support organizations. An accurate inventory of such property shall be maintained in accordance with established District guidelines (see policy Section III. Inventories; and administrative rules and regulations Section A).

The District reserves the right to transfer equipment to other schools and non-school locations if the site in which it was placed is closed or if the equipment is declared excess to school or departmental needs in accordance with District guidelines (see policy Section IV. Disposal/Disposition of Personal Property; and administrative rules and regulations Section B).

Each employee of the system shall be responsible for equipment assigned to him/her and the use of any district equipment shall be for district purposes. The use and/or removal of district-owned equipment without appropriate authorization shall be contrary to Board policy. Employees are expected to return all District equipment in proper working order upon re-assignment to another department/job duty within the District; separation from the District; or immediately upon request by the Superintendent or his/her designee. Failure to return equipment may be considered to be theft and may result in disciplinary measures, legal actions, and/or require restitution to the District.

Loaning of district equipment may only be allowed when use of such equipment is directly or peripherally related to employment responsibilities or when the equipment is to be used in connection with student studies or extracurricular activities. Proper controls shall be established to assure the individual's responsibility for, and return of, all such equipment.

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### **III. INVENTORIES**

It is the policy of Shelby County Schools to maintain an accurate inventory of district-owned personal property. To this end, the Superintendent shall establish an inventory management program to ensure effective oversight of such personal property owned by the District. In an effort to reinforce transparency and facilitate effective business practices, the program, at a minimum, shall ensure that a district-wide inventory of personal property covered by this policy is conducted annually and includes the following:

1. Identification of District employees assigned custodial responsibility for oversight of personal property at each school and non-school location;
2. Implementation of an effective and efficient asset management system; and
3. Tracking process for the acquisition, transfer/relocation of excess, and disposal/disposition of surplus district-owned personal property (see policy Section IV. Disposal/Disposition of Surplus Personal Property; and administrative rules and regulations Section B).

### **A. Reporting Requirements**

The Superintendent or his/her designee shall be required to submit an annual report to the Board of results regarding inventories conducted on capitalized and sensitive personal property along with a corrective action plan where applicable.

### **B. Non-Capitalized Personal Property**

The Superintendent is authorized to establish inventory processes and procedures to govern district-owned non-capitalized personal property. When applicable due to contractual obligations, the District shall inventory such property, regardless of the cost, in the same manner as capitalized and sensitive items (e.g., items purchased with federal grants).

### **C. Prohibitions**

1. Private use of district-owned personal property for personal gain shall be prohibited.
2. The unauthorized removal of district-owned personal property from assigned school and/or District locations shall be prohibited.

Any transfer and/or loan of equipment between schools or other District locations shall be in accordance with District transfer guidelines. Such procedures shall at a minimum require advance authorization and tracking of district-owned inventory.

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## **IV. DISPOSAL/DISPOSITION OF INVENTORIED SURPLUS PERSONAL PROPERTY**

It is the policy of the Shelby County Schools to periodically inventory personal property owned by the District to ensure both physical and fiscal accountability, as well as efficient business practices for safeguarding resources. Items determined as no longer required for use or no longer capable of being used because of its condition may be declared as excess and/or obsolete or surplus personal property, respectively.

### **A. Declaring District-Owned Personal Property as Excess and/or Obsolete**

The Board promotes the utilization of usable excess district-owned personal property to the maximum extent possible as the first source of supply throughout the District. Prior to the purchase of new items, district-owned personal property identified as excess should, as feasible, be relocated to other District locations for

utilization in accordance with statutory/regulatory requirements and/or guidelines established by the Superintendent.

**B. Declaring District-Owned Personal Property as Surplus**

The Board authorizes the Superintendent to declare personal property as surplus and to dispose of surplus items. A process for declaring district-owned personal property as surplus and for the disposal/disposition of such property shall be developed by the Superintendent or his/her designee. The declaration as surplus and disposal/disposition of personal property shall be in compliance with applicable federal and state statutes/regulations and Board policy. Thirty (30) days prior to the disposal of personal property, notification shall be provided to the Board. Unless otherwise determined by the Board, said notification shall be for information purposes and shall not constitute a requirement of prior Board approval to proceed with the disposition of the personal property.

**C. Disposal/Disposition of Surplus Personal Property**

District-owned personal property declared as surplus may be disposed of in accordance with the following:

**1. Transfer and/or Sale**

a. Governmental Entities

When at all possible, the District may sell or transfer surplus personal property to a local governmental entity in accordance with T.C.A. 49-6-2006.

b. General Public – Notice Requirement for Public Sale

When surplus personal property is not sold or transferred to a governmental entity, the District may sell such property to the highest bidder in accordance with applicable federal and/or state statutes and guidelines.

Exceptions

Notice shall not be required for (1) the sale of surplus personal property that has no value or has a value less than two hundred fifty dollars (\$250), or as specified by law, (written agreement from the Superintendent and chair of the Board that the property is of no value or is of a value less than two hundred fifty dollars (\$250)), or as specified by law, shall be required) and (2) computers donated in accordance with T.C.A. 49-6-2007.

c. Selling Personal Property as Scrap Material

The selling of personal property that has no value except for its basic material content may be sold as scrap material.

*Proceeds from Sale of Surplus Personal Property*

All proceeds secured from the sale of personal property (including items sold as scrap) shall be in accordance with applicable federal, state, and/or local statutory/regulatory requirements, Board policy, and grant/donation/other contractual requirements. Terms of federal grants may designate allowable uses of the proceeds from the sale of personal property purchased with federal funds.

The Superintendent shall develop a process to ensure that proceeds from the sale of surplus personal property are deposited in the appropriate budget fund. Specific federal, state, and local regulations may apply.

**2. Donation of Computers**

The District may donate computers that have been declared surplus to low-income families in the school District in accordance with T.C.A. 49-6-2007 and guidelines established by the TN Department of Education. The memory hard drives of all computers shall be sanitized prior to donation by the District.

**3. Destruction**

District-owned personal property may be destroyed upon determination by the Superintendent that the item has no commercial value (utility or monetary) and/or the cost of care of the property would exceed estimated fair market value.

Terms of federal grants may impose restrictions on disposal/disposition of items purchased with federal funds.

**RESPONSIBILITY**

- A. District employees are responsible for adhering to this policy.
- B. Supervisors with budgetary authority are responsible for
  - 1. personal property under his/her authority;
  - 2. declaring personal property as excess to locations under his/her authority;
  - 3. authorizing removal of district-owned personal property from the assigned school and/or District locations; and
  - 4. verifying that items are removed from his/her assigned inventory record.
- C. Appropriate District administrators for federal funds are responsible for ensuring that guidelines governing inventorying and disposal/disposition of equipment purchased with federal funds are followed.
- D. The office responsible for asset management shall
  - 1. establish procedures for conducting inventories;

2. implement procedures, in collaboration with the office responsible for information technology (IT), for the donation of surplus computers from school/non-school inventories;
  3. oversee and coordinate annual physical inventory processes;
  4. submit recommendations to declare non-technology items as surplus; and
  5. oversee the disposal/disposition process for personal property.
- E. The office responsible for Information Technology shall submit recommendations to declare technology items as surplus.
- F. The office responsible for internal audit shall evaluate the effectiveness of internal control measures for physical inventory processes.
- G. The office responsible for risk management shall develop and implement effective loss prevention and control programs; and provide input regarding the procurement of adequate insurance coverage.
- H. The Superintendent is responsible
1. for declaring personal property as surplus; disposing of surplus personal property; and providing notification to the Board; and
  2. determining if this policy is followed.

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**Legal References:**

1. Tennessee Internal School Uniform Accounting Policy Manual Section--4-13
2. T.C.A. 49-6-2006
3. T.C.A. 49-6-2007
4. T.C.A. 12-2-401 – 12-2-419
5. T.C.A. 49-2-203(b)(10)
6. Education Department General Administrative Regulations (EDGAR)

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**Cross References:**

1. 2018 Fraud, Waste, and Abuse
2. 2019 Grant, Gifts, Donations, and Sponsorships
3. 7007 School Support Organizations

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## V. ADMINISTRATIVE RULES AND REGULATIONS

### A. INVENTORIES

#### Content Areas

1. Responsibility and Accountability Structure
2. Identifying Inventoriable Assets
3. Inventory Types and Schedules
4. General Guidelines for Annual Physical Inventories of District-Owned Personal Property
5. Report of Survey
6. Removal/Retirement of District-Owned Personal Property from Inventory Records
7. Training

The following guidelines have been established to ensure the continuity and alignment of processes for the recording, inventorying, disposal/disposition, and accounting of district-owned personal property. Established guidelines shall hold the District accountable for use of public/grant funds and improve the efficiency and effectiveness of district-wide inventorying practices.

#### 1. **Responsibility and Accountability Structure**

##### a. District Employees

Employees are responsible for the care and management of district-owned personal property assigned to him or her. This includes responsibility for safeguarding and ensuring proper use and notifying supervisors with budgetary authority of loss, theft, damage, or destruction of assigned district-owned personal property.

##### b. Supervisors with Budgetary Authority

Supervisors with budgetary authority are responsible for

- 1) implementing measures to ensure that loss, theft, misuse, or abuse of district-owned personal property is kept to a minimum;
- 2) implementing controls to ensure that district-owned personal property meeting mandatory tracking requirements are followed;
- 3) ensuring that district-owned personal property is tagged (barcoded) in accordance with established guidelines;
- 4) conducting physical inventories and maintaining complete and accurate inventory control and accountability records for district-owned personal property assigned to his/her area (records must enable periodic independent verifications of accuracy);

- 5) ensuring that auditable documentation is available for assigned inventory;
- 6) submitting district-owned personal property management reports as required;
- 7) monitoring established internal controls routinely and ensuring that controls work effectively;
- 8) implementing prompt corrective action plans to address identified control deficiencies; and
- 9) reporting any suspicion of fraud, waste, and/or abuse in a detailed format to the office responsible for internal audit.

Supervisors shall also be responsible for declaring district -owned personal property assigned to his/her custody as obsolete and/or excess to the needs of that assigned/specific location (see section IV. Disposal/Disposition of Surplus Personal Property).

c. Executive Staff

Executive staff are responsible for ensuring accountability of district-owned personal property and the administration of the inventory management program for departments under his/her authority.

d. Superintendent

The Superintendent or his/her designee is authorized to declare personal property as surplus (see policy section IV. Disposal/Disposition of Surplus Personal Property and administrative rules and regulations section B).

**2. Identifying Inventoriable Assets**

With the exception of computer equipment (e.g., desktops, laptops, tablets, iPads) which is tagged, delivered, and installed by an outside vendor, tagging and recording of district-owned personal property is the responsibility of supervisors with budgetary authority. The following standards shall apply:

a. Tagging (barcode)

All district-owned personal property shall be affixed with a Shelby County Schools asset tag (barcode) that shall serve as the key identifier for the property throughout its lifecycle with the District. Some district-owned personal property by the nature of its design cannot be physically tagged. The item, however, shall be assigned an identification number by the office responsible for asset management and will be accounted for in the same manner as tagged items.

Terms of federal grants (i.e., ESEA, Career & Technology [Vocational] and Exceptional Children) may require specific identification of assets acquired with federal funds.

*Untagged Personal Property and Personal Property Missing Tags*

Supervisors with budgetary authority shall notify the appropriate executive staff and the office responsible for asset management when district-owned personal property was not assigned or is missing a tag (barcode). Such notification shall be provided immediately upon receipt of an untagged item and/or upon discovery of an item in which the tag (barcode) was damaged, destroyed, or removed.

b. Inventory Management Records

Supervisors with budgetary authority shall be required to maintain a system of detailed inventory accountability records and ensure that all personal property is recorded on the personal property asset form provided by the District. The District asset form shall provide the following

- 1) description of the item;
- 2) acquisition date;
- 3) brand/manufacturer;
- 4) model and serial number;
- 5) purchase order number or school check number;
- 6) accounting code;
- 7) program/project (if applicable);
- 8) date purchased;
- 9) cost of the equipment;
- 10) assigned asset tag number (barcode); and
- 11) other information as required for inventory of equipment purchased with federal grant funds.

Any changes to inventory records as a result of acquisition (inclusive of new and district excess items), loss, theft, damage, destruction, or declaration as excess (see section IV. Disposal/Disposition of Surplus Personal Property) must be made by the supervisor with budgetary authority and submitted to appropriate executive staff and the office responsible for asset management. A copy of inventory records shall be kept on file at the location and made available for review by the Superintendent or his/her designee upon request.

### 3. **Inventory Types and Schedules**

Physical inventories of district-owned personal property shall be conducted at each school and non-school location by the supervisor with budgetary authority in accordance with district-approved standards.

- a. **Annual Inventory** – A district-wide inventory of personal property shall be conducted at each school and non-school location annually. The inventory shall be an actual verification (counting and recording) of personal property assigned to the location. Schedules and procedures for conducting annual inventories shall be coordinated by the office responsible for asset management.
- b. **Site Closure, Realignment, or Opening Inventory (SCRO)** - An inventory of district-owned personal property at a specific school or non-school location shall be conducted upon closure, realignment, or opening of the site. This shall include transfer of a school or portion of a school to a charter or the Achievement School District (ASD). Procedures for conducting site closure inventories shall be coordinated by the office responsible for asset management.
- c. **Special Circumstance Inventory** – An inventory of district-owned personal property may be conducted as a result of special circumstances including, but not limited to (1) the development of a new or reorganized department/office and (2) change in administration/supervision at a school or non-school location. In the event of change in administration/supervision, the inventory, if at all possible, should occur prior to the transfer or separation of the administrator/supervisor. Special circumstance inventories shall be conducted at the direction of the Superintendent or his/her designee.
- d. **Administrative Directed Inventory** – An inventory of district-owned personal property at a specific school or non-school location shall be conducted upon directive from the Superintendent or his/her designee.

#### **4. Physical Inventories of District-Owned Personal Property (Annual Inventory)**

##### **a. General Guidelines for Physical Inventory Process**

It shall be the responsibility of each school and non-school location to complete the physical inventory within the scheduled timeframe. A physical inventory of district-owned personal property shall be, at a minimum, conducted at each school and non-school location on an annual basis. Completed inventories shall be subject to verification by the office responsible for asset management.

- 1) Prior to the beginning of a scheduled annual inventory notification including specific directions for conducting the inventory shall be provided by the office responsible for asset management to principals or supervisors with budgetary authority.
- 2) Schools and non-school locations shall have up to ninety (90) days to complete the physical inventory.
- 3) Upon completion of the physical inventory, the principal or supervisor with budgetary authority shall submit a copy of the completed inventory form to the appropriate executive staff and office responsible for asset management.
- 4) Discrepancy reports based on personal property asset forms and completed inventory forms shall be generated for each school and non-school location respectively.
- 5) Principals and supervisors with budgetary responsibility shall be responsible for reconciling any indicated discrepancy and for submitting a follow-up/justification report regarding discrepancies to the appropriate executive staff and the office responsible for asset management. Any changes, including acquisition, loss, theft, damage, and destruction must be appropriately identified and submitted along with supporting documentation.
- 6) Unresolved discrepancies may be reviewed by the office responsible for asset management.
- 7) The office responsible for internal audit, as deemed appropriate, may conduct internal audits.
- 8) A copy of forms submitted during the inventory and/or audit shall be kept on file at the location and made available for review by the Superintendent or his/her designee upon request.

##### **b. Inventory Report**

The office responsible for asset management shall submit a comprehensive inventory report to the Superintendent. The report shall include information regarding accounted and unaccounted items as disclosed during the physical inventory.

## **5. Report of Survey**

The office responsible for asset management, in collaboration with the offices responsible for internal audit and risk management, shall conduct, as deemed appropriate, inventory surveys in an effort to manage the loss of district-owned personal property. The purpose of the inventory survey process at a minimum shall be to (1) investigate the cause of loss, addition, damage, destruction, or theft of property; (2) develop corrective action plans to prevent reoccurrences; (3) provide documentation to justify adjustments and/or removal/retirement of items from inventory records; (4) assess financial liability against individuals responsible for the lost, damaged or destroyed property if required; and (5) ensure that suspicion of criminal acts is properly reported to State Comptroller's Office and any other appropriate agency/authority.

## **6. Removal/Retirement of District-Owned Personal Property from Inventory Records**

### **a. School and Non-School Locations**

#### **1) Excess and/or obsolete district-owned personal property**

District-owned personal property declared as excess and/or obsolete (see section IV. Disposal/Disposition of Surplus Personal Property) shall be physically transferred by the office responsible for facilities and maintenance, in coordination with the office responsible for asset management, from the school or non-school location to a District warehouse or other approved location within sixty (60) work days of receipt of a notification from the office responsible for asset management (exceptions to timeframes may apply in extenuating circumstances). Such items shall be removed from the school or non-school location inventory record by the office responsible for asset management following completion of the property transfer process.

#### **2) Lost and/or stolen district-owned personal property**

The supervisor with budgetary authority at a school or non-school location with lost and/or stolen district-owned personal property shall be required to submit a completed inventory removal form along with additional required documentation to the appropriate executive staff and the office responsible for asset management for review and recommendation to the Superintendent or his/her designee. Upon approval of the Superintendent or his/her designee, the item may be removed from district (including the school/non-school) inventory records. An exception shall apply to loss of personal property due to documented theft and/or perils (i.e., fires, floods, and wind damage) in

which such items may be immediately removed from District inventory records (including the school/non-school). Accompanying official reports (e.g., police) may be required.

b. **Personal Property Stored at Warehouse Locations (including outdoors facilities such as lots)**

Warehoused district-owned personal property shall be retired from district inventory records (a) following the disposal/disposition of such items through trade-in/exchange, transfer, sale, donation, and/or destruction; or (b) upon loss due to documented theft and/or perils (i.e., fires, floods, and wind damage). Official reports (e.g., police) should be maintained on file.

7. **Training**

Training shall be made available to employees on an annual basis. Such training shall include an overview of the requirements of the district-wide inventory management program including employee accountability for district-owned personal property.

**B. DISPOSAL/DISPOSITION OF SURPLUS PERSONAL PROPERTY**

Content Areas

1. Declaring Personal Property as Excess and/or Obsolete
2. Requests for Removal of Excess and/or Obsolete Personal Property from a Location
3. Declaring Personal Property as Surplus
4. Disposal/Disposition of District-Owned Personal Property
5. Report to Board
6. Inventory
7. Training

**1. Declaring Personal Property as Excess and/or Obsolete**

Supervisors with budgetary authority may declare district-owned personal property assigned to their custody as excess to school or departmental needs and/or obsolete in accordance with District established guidelines/criteria and request that such property be removed from the location and inventory.

**2. Requests for Removal of Excess and/or Obsolete Personal Property from a Location**

- a. Requests to have excess and/or obsolete district-owned personal property physically removed from a location and inventory must be submitted on the appropriate asset disposition form by the supervisor with budgetary authority to the office responsible for asset management and notification

provided to the appropriate executive staff. Written requests shall provide specific information including, but may not be limited to the following:

- complete description of the item and condition of the item;
  - district location; and as applicable and/or known
  - district property ID number;
  - serial number/model number;
  - original cost; and
  - estimated current fair market value.
- b. District-owned personal property declared as excess and/or confirmed to be inoperable shall be physically removed from the school or non-school location by the office responsible for facilities and maintenance within sixty (60) working days from receipt of notification from the office responsible for asset management (exceptions to timeframes may apply in extenuating circumstances). Prior to the removal of excess property from a location
- 1) notification shall be provided to the appropriate District administrator of federal funds when personal property acquired under a federal award is declared as excess; and
  - 2) the office responsible for Information Technology shall evaluate and determine if the technology item is feasible for use in another District location.

#### Exception

With the exception of technology (i.e., computers), any item that is visibly irreparable and/or unusable due to its condition may be authorized by the office responsible for asset management for on or off-site destruction. This shall include items purchased under a federal award that meet the criteria for disposal with no obligation to the federal government.

### **3. Declaring Personal Property as Surplus**

#### a. Non-Technology District-Owned Personal Property

Non-technology district-owned personal property shall be declared surplus in accordance with established guidelines. Consideration shall include, but not be limited to the following:

- condition of item;
- fair market value of item;
- remaining useful life of item; and
- cost of repairing, maintaining and/or storage of item.

Following removal of district-owned personal property from a school or non-school location, the office responsible for asset management, in collaboration with other departments as deemed appropriate, shall determine if the personal property may be relocated to another District location for future use or if a recommendation should be made to declare the item as surplus.

*Federally Funded Non-Technology Personal Property*

The office responsible for asset management, in collaboration with the appropriate administrator for federal programs as deemed appropriate, shall submit a recommendation to the Superintendent to declare non-technology items as surplus and for the disposal of such items.

b. District-owned technology

The office responsible for information technology shall (1) determine if technology equipment meets established criteria for declaration as surplus; and (2) where applicable, in collaboration with the appropriate administrator for federal programs as deemed appropriate, submit a written recommendation to the Superintendent or his/her designee for approval to declare such items as surplus.

All information shall be removed from computer hard drives (sanitized/wiped to meet all applicable industry standards for security and reformatted) by the office responsible for Information Technology prior to disposal/disposition, including donation.

**4. Disposal/Disposition of District-Owned Personal Property**

The Superintendent shall be authorized to dispose of surplus district-owned personal property. The disposal/disposition of district-owned personal property without written authorization of the Superintendent shall be prohibited.

Disposal/disposition of the surplus personal property acquired under a federal award or other grant/contractual agreement shall be in accordance with the awarding agency's disposition instructions.

District-owned personal property declared as surplus may be disposed of in accordance with applicable federal/state statutes and the following:

- a. Trade-in/exchange on replacement, where such is permitted by law and/or conditions of a contract (see TCA §§ 12-2-401 through 12-2-419 and state rules)
- b. Transfer and/or sale to another government entity
- c. Sale by public auction, publicly advertised and held
- d. Sale by Internet auction
- e. Sale under sealed bids, publicly advertised, opened, and recorded
- f. Sale for scrap
- g. Donation in accordance with law (i.e., computers)
- h. Destruction

#### Exception

Disposition of specific personal property acquired with federal or private grants (i.e., NCLB and Exceptional Children) in which (1) the District is required to transfer the property by the terms of a donor's regulations or conditions, or (2) the grant is contracted or otherwise transferred to another organization under circumstances where the granting agency expects that the personal property shall be transferred as provided by the grant.

#### **5. Report to Board**

The Superintendent shall provide a report of the disposal/disposition of surplus items to the Board on a quarterly basis. The report shall at a minimum provide a brief description of the disposed item, method of disposal/disposition, and as applicable, original purchase cost and the net proceeds to the District from a sale.

#### **6. Training**

Training shall be made available to employees on an annual basis. Such training shall include an overview of the requirements of the district-wide inventory management program including employee accountability for district-owned personal property.