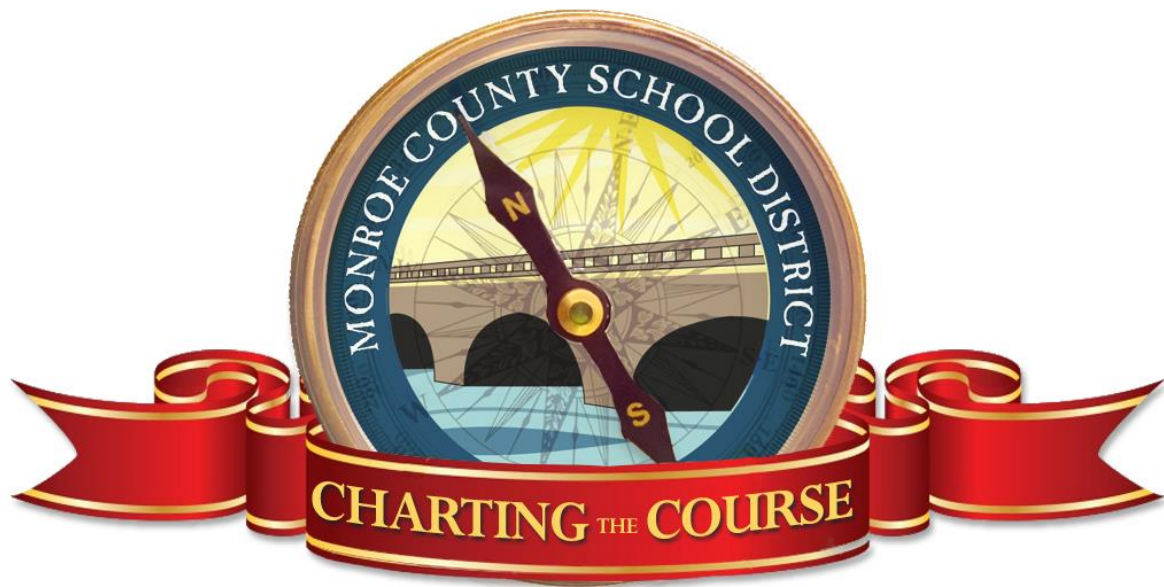


Monroe County School District's Property Control Manual

Revised 4/25/2016



Property Control Manual

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Chapter 1

Introduction

In order to comply with state regulations, the Monroe County School District has a centralized property and inventory control function within the Purchasing Department. Over the years, the Purchasing Department has established a number of procedures that are designed to provide accurate accountability and improved control to meet the internal needs of the Monroe County School System

Chapter 274, Florida Statutes, contains laws designed to regulate the acquisition, supervision, accountability, control, transfer, and disposal of all tangible personal property owned by the governing board, commission, or authority of a county or a taxing district of the state or the sheriff of the county. Section 274.02 specifies that each item of property be marked for identification in the manner required by the Chief Financial Officer of Florida and that each governmental unit maintain an adequate record of its property containing such information as shall be required by the Chief Financial Officer of Florida.

This manual has been prepared to provide all personnel charged with the care and custody of property owned or under the jurisdiction of the School District with a reference guide to the administrative requirements necessary to fulfill that responsibility. Any changes to School District policy or state statutes, requiring revision of this manual will be done promptly and communicated to all property custodians.

The Superintendent/designee shall maintain an adequate and accurate record of all tangible personal property of the District. The record shall indicate the date of acquisition, the fund from which purchased, identification number, and property record number, and shall be consistent with all requirements of Florida Statutes and the rules of the Auditor General. School inventories shall be verified by the District Administration at the Superintendents direction.

MCSB Policy 7450

The School Board recognizes that efficient management and full replacement upon loss requires accurate inventory and properly maintained property records.

A complete inventory of all District owned tangible personal property shall be conducted annually and submitted to the Board. A complete inventory shall also be conducted when there is a change at a school or department location in the staff member designated as custodian of the property at that location (see Policy [7300](#)). A principal or department head shall obtain a police report for any District-owned tangible personal property that is found missing or stolen from the location's inventory.

For purposes of this policy "tangible personal property" shall mean any tangible personal property, of a non-consumable nature, with a life expectancy of one (1) year or more which has a capitalized value equal to or greater than the value defined in statute.

F.S. 274.02, 1001.43

MCSB Policy 7320

Acquisition

All property shall be acquired through proper purchasing procedures either through the county or internal funds, or through donations from outside sources. All property, however, including vehicular equipment shall be in the name of the School Board and under its full control. All property acquired from sources other than county school funds, such as PTA donations, shall be reported promptly, in accordance with procedures established for property accountability.

Removal of Property

- A. Property shall not be taken from any school building or premises for private use. Property may be lent to employees, outside agencies, or organizations only with the prior written approval of the principal or department head.
- B. Major property items shall not be exchanged between schools or departments except upon the written approval of division and/or department heads affected. Final approval of the Superintendent is required.

Disposal, Sale, or Exchange

The Board believes that the efficient administration of the District requires disposition of any major tangible personal-property no longer necessary for the educational programs or the operation of the District.

Property which is not suitable for School District use shall be disposed of in accordance with State statutes.

F.S. 287.14, 287.16, 1001.42, 1010.04

MCSB Policy 7300

Responsibility of the Superintendent

- A. All real and tangible personal property shall become the direct responsibility of the Superintendent, including its care, custody, safekeeping, and accounting of all property.
- B. The Superintendent shall cause to be established such procedures and measures necessary to provide accurate information in regard to the nature, condition, location, and value of all major school property, to safeguard tangible school property against undue damage, loss depreciation; to attempt to recover and restore to useful service any tangible school property which may be lost, stolen, or damaged; and to do all other things necessary to insure the proper maintenance and safekeeping of school property.
- C. The Superintendent shall place in operation procedures that include those services and activities which ensure that students may attend school without sanitation or physical hazards and provide for necessary heat, lights, water, power, and other supplies and utilities necessary for the operation of the schools.
- D. The Superintendent shall place into operation procedures for preserving and keeping the building, grounds, and equipment in a satisfactory state of maintenance, and which include repairs, replacements, renovations, and adjustments.

Responsibility of the Principal / Site Administrator

The principal/site administrator of each independent school/site shall be the custodian or record for all property located at and charged to the school/site.

Responsibility of Division and Department Head

The division and/or department head shall be the custodian of record for all property purchased through or assigned to that division and/or department.

Delegation of Inventory Task

The principal, site administrator, division and department heads may delegate the annual inventory process and day to day asset management to an employee under their supervision but the responsibility for said assets still lies with them.

F. S. 1001.42, 1001.515

1.1 Tangible (Capital) and Intangible (Non-Capital) Personal Property:

- a) Florida Statutes defines tangible personal property as items that have a cost or value of \$1,000 or higher, and have an expected life of one year or more. The Property Control Department will issue a bar-coded decal (tag) for each item which should be placed on the asset in addition to writing the asset number on the asset in permanent marker.
- b) Intangible Personal Property are items such as software programs essential to the operation of computers. Programs that are web-based or purchased on an annual subscription are not considered assets. The Property Control Department will issue a bar-coded decal (tag) for each software program that has a cost of \$1,000 or more which should be placed on the asset in addition to writing the asset number on the asset in permanent marker.

1.2 Differentiating Between Capital Property and Supplies: (items over \$1,000)

- a) Supplies
 - It is consumed by use. (battery, filter, toner, etc.)
 - Has a life expectancy of LESS than one year.
 - Less expensive to replace than repair.
 - Replacement of a component of a more complex unit or substance.
 - The item should be charged to a 5XX object code.
- b) Property
 - It is not consumed by use.
 - Has a life expectancy of GREATER than one year.
 - More economical to repair than replace with a new item.
 - Stand alone item. (It does not lose its identity through incorporation into a different or more complex unit.)
 - The item must be charged to a 6XX object code.

1.3 What makes up the price of a Capital Item

a. What SHOULD be included:

- Individual price \$1,000 or greater
- Shipping
- Part or accessories **MANDATORY** to put that item into service.

b. What SHOULD NOT be included:

- Maintenance or warranty costs
- Parts and accessories **NOT MANDATORY** to use the item. (ie: optional parts)

1.4 Property Custodians :

Directly or indirectly (through persons to whom responsibility is delegated) held responsible for assets at their school/site/dept. This responsibility includes the following functions:

- Establishment of adequate control procedures within the school/department and continued supervision of their use.
- Verifying the receipt of all new property assigned
- Determining the proper location within the school/department. Complete a Property Transfer Form PUR001 per procedure when moving items.
- Instructing location staff on property control procedures.
- Perform annual physical on-site inventories and assist in on site inspections

1.5 Property Control Specialist:

- Provides support services for property custodians
- Instructing property custodians on property control procedures.
- Reconcile items charged to capital account codes on a monthly basis and tag items accordingly.
- Maintain property control database and balance annually with Finance.
- Monitor property transfer requests [PUR001](#) as well as Request for Transfer/Removals supplied by the property custodians.
- Review annual inventory provided by all locations due in January.
- Perform annual on-site inspection for each location.
- Submit recommendations for property removals to be board approved.
- Coordinate removal of property to include recycle, auction, donation to non-profits.
- Coordinate relocation/removal of property at close of building/location.

Acquisition/Receiving/Tagging of Tangible and Intangible Personal Property

The Superintendent or designee is responsible for all tangible and intangible personal property acquired with district, school internal funds or by donation.

2.1 Acquisition by District Requisition:

- a) Proper property control procedures begin with the F804 screen in TERMS.

The screenshot shows a terminal window titled "Session A - [24 x 80]". The menu bar includes File, Edit, View, Communication, Actions, Window, and Help. The main screen displays the "F804. Requisition Items" form for the year 2012. The form fields are as follows:

Panel: _____ F804. Requisition Items Year: 2012
Action: _ Rqst: _____ Req: _____ Rf: _
Vndr: _____ Item: _____
Date: _____ T: _ S: A: T/C: _____ Acct: _____
Ship: _____
Buyr: _____ Bid: _____ CFBPI
Attn: _____ PO: _____
Crt'd: _____ CONTRACT: _____
Seq Rf Item Description Qty Unit Unit Price Pct
_____ .00
_____ Ext
_____ .00
_____ Ext
_____ .00
_____ Ext

1=Hlp 2=Nte 3=Exit 4=Prpt 5=Refr 6=Nrcd 7=Bwd 8=Fwd 9=Npg 11=View 12=Esc
Please type key element(s). Upd

MA a 03/010

- b) Requisition originator shall begin the requisition by placing an "A" for the section titled "Action", and the four (4) digit center number in the section titled "Rqst". PRESS ENTER
- c) The requisition will be given a four (4) digit Requisition number that will appear in the section titled "Req". Document this number for easy reference at a later date on a log for all entered requisitions.
- d) F4 in the section titled "Vndr" will pop up the list of current vendors, select the vendor desired, PRESS ENTER. V0000XXXX will appear in the section titled "Vndr".
- e) Date will automatically appear with the current date.
- "T" for Type will default to "N" (F1 for options)
 - "S" for status will default to "P" for Posted
 - "A" for Approval will default to "P" for Pending
- f) F4 on T/C, Ship, and Buyer to find the appropriate "Terms and Conditions," "Ship to Location" and "Person Buying"
- g) Attn can be filled in for any additional personnel the shipment should be delivered to. Crt'd will default
- h) Contract can be filled in with the date the corresponding contract will be presented to the School Board (if applicable).

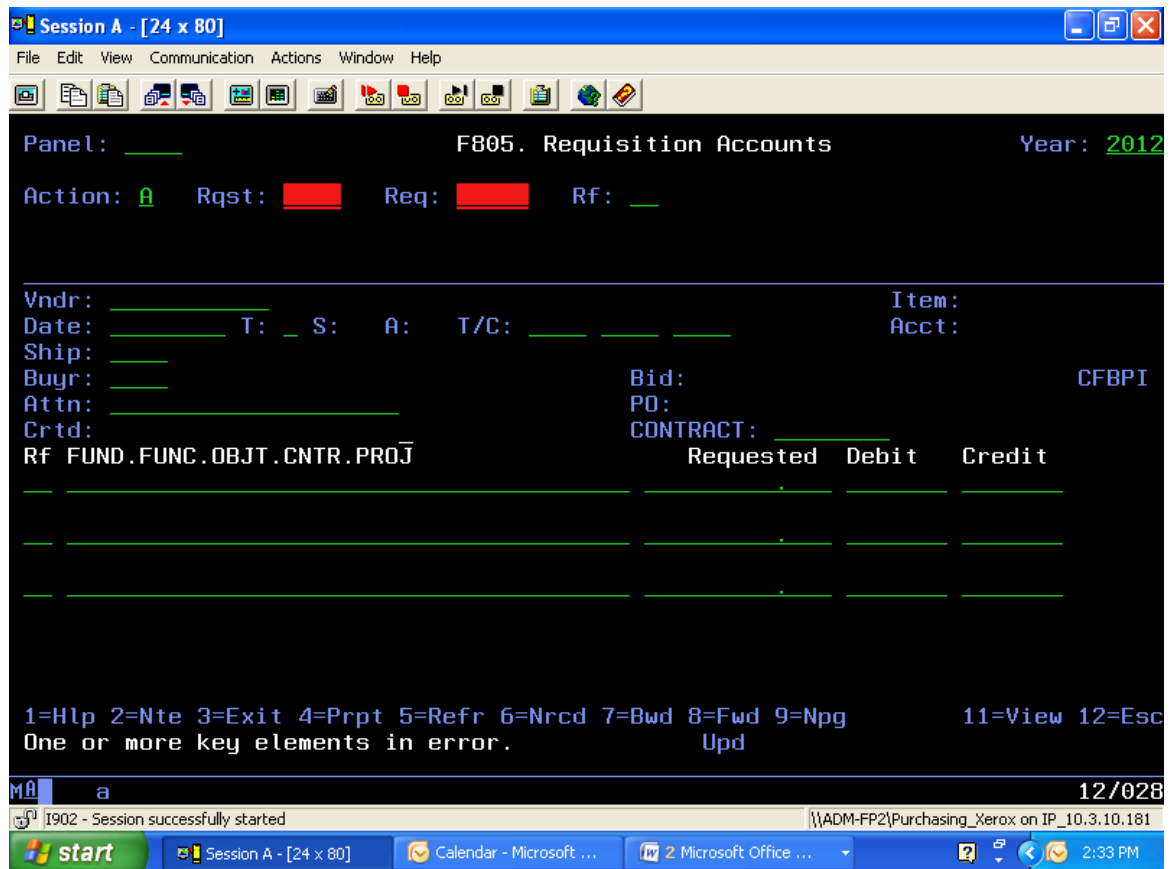
i) Seq shall begin with the first line of coding beginning with 001, the second line of coding beginning with 002...etc. An “A” for adding will need to be placed under the “R” in Rf (Reference). If entered and corrections need to be made, place a “C” for change under “R” and to delete an entire line of coding, place a “D” under the “R”.

j) F4 the section titled “Item”, select the correct item name and press enter. Item name will appear on the line.

k) Description will need to address the individual item(s) being purchased, all standards, specifications, terms and conditions that the Monroe County School District will hold the vendor liable for delivering. Press F2 for more screens if space is needed. Be sure to PRESS ENTER prior to F3 to leave the F2 screen, or all input data will be lost.

l) Enter the Quantity, Unit and Unit Price of the purchased items. PRESS ENTER.

m) In the section titled “Panel”, type F805 and PRESS ENTER



n) Requisition originator shall begin by placing an “A” for the section titled “Action”, and the four (4) digit center number in the section titled “Rqst”, along with the four (4) digit “Req” number provided by the F804 screen. PRESS ENTER

8

o) All information submitted on the F804 screen will appear on the F805 screen.

p) An “A” for adding will need to be placed under the “R” in Rf (Reference). If entered and corrections need to be made, place a “C” for change under “R” and to delete an entire line of coding, place a “D” under the “R”.

q) The final step for implementing the proper property control procedures during the requisition phase, is to ensure the proper line(s) of coding correspond to the purchase, reference the Financial and Program Cost Accounting and Reporting for Florida Schools “Red Book” for guidance.

2.2 Acquisition by Donation:

The Board is duly appreciative of public interest in and good will toward the schools manifested through gifts, grants and bequests. The Board reserves the right, however, to specify the manner in which gifts are made; to define the type of gift, grant, or bequest which it considers appropriate; and to reject those which it deems inappropriate or unsuitable.

The Superintendent or designee authorizes the acceptance of property and vehicle donations. Donations that do not provide value or cannot be used in the educational process are **not** to be accepted.

Any material or equipment donated to the schools by any person or organization becomes the sole property of Monroe County School Board. The principal/director shall notify the Property Control Specialist / Purchasing Department when they receive donations which must be marked and accounted for, as set forth in F.S. 274, in compliance with Chapter 10.400 of the Rules of the Chief Financial Officer of Florida. Notification shall be via completed Form [PUR004](#)

The principal/director will be responsible for establishing true market value using an appropriate source of information and recording the figure in the cost section. Written documentation of how market value was established is required. Acceptance of donation estimated to exceed \$5,000 shall be conditioned upon the receipt of a qualified appraisal or other documentation acceptable to the Director of Finance.

a) **Donation Form:** When a site receives donated property with a fair market value of \$1,000.00 or more, form [PUR004](#) must be submitted. The following information is required on the form:

- Description (name or type of item)
- Serial Number (if applicable)
- Model Number
- Manufacturer
- Condition (new/used)
- Acquisition Date
- Building
- Room
- Department
- Dollar Value
- Explanation (Should include name of donor)

Monroe County School Board Property Acquisition by Donation

DDNR: _____ CONTACT INFORMATION: _____
 TO CENTER: _____ () RECEIVER: _____ ()

Field Name	
Item Name	
Description	
Model	
Serial Number	
Manufacturer	
Department	
BPI Tag Number (if applicable)	
Location/Building/Room	
Explanation (should include name of donor)	
Date of Acquisition	

The District has no obligation to the donor for federal income tax purposes, other than its knowledge that the District has received the item. The District shall retain responsibility of the donated items and the donor relinquishes all rights of ownership. It is the responsibility of the donor to ensure that any donated information technology equipment does not contain information that may be deemed "sensitive". PKC will not be responsible for deletion of such information.

Signature of Donor: _____ Date: _____

Signature of Site Administrator: _____ Date: _____

Copies to Receiver and Donor, Original to Property Control Department

PUR004 February 07, 2013

b) **Donation – Property or Vehicle with Title:** Any vehicle donated to a site becomes the property of the district and must be titled as “Monroe County School District.” and not a specific school.

- Donations of vehicles, or property conveying a title must have the Superintendent’s or Site Administrator’s approval before the donation is accepted.
- Before the site can accept a vehicle donation, the Transportation Department must perform an evaluation and safety check. If the Transportation Services approves the acceptance of the donation, they will notify the site and add the vehicle to the district’s vehicle maintenance program
- After the Superintendent’s or Site Administrator’s approval and upon receipt of the donation, the title must be forwarded to the Transportation Supervisor, so the title can be transferred to the district’s name.
- The site can obtain a fuel key by contacting the Transportation Department.
- The property or vehicle will be given a number when the site submits a Fixed Asset Acquisition Form: [PUR003](#)

c) **Donation – Property or Vehicle (For Use as Instructional Material):**

Donated property or vehicles that are for demonstration and instructional purposes will not be recorded as a fixed asset.

- The title must be forwarded to the Transportation Supervisor. The donor’s name will be removed from the title.
- A tag number will not be issued.

d) **Donation – Comments**

- Donations must meet district standards.
- District repair facilities or vendors may suggest a value.
- The district has no obligation to the donor for federal income tax purposes, other than acknowledge that the item(s) was received.

2.3 Acquisition Through Internal Accounts: Internal Account should not be used to directly purchase capital equipment. An internal account check should be forwarded to the Finance Department- with the appropriate account coding and these funds will be added to the site's budget. The site can then generate a requisition for the needed capital equipment.

2.4 Acquisition by Upgrades to Existing Property: The cost of an upgrade must be added to the original cost of the asset. The comment section of the requisition should list the tag number (s) of the item(s) that will be upgraded. Property Control must be notified of the upgrade so that they can capture the additional expense and make necessary cost adjustments.

Ie: Transportation purchases a toolbox which is to be mounted to the bed of truck 123 (asset no 12345). The toolbox costs \$1500.00. The \$1,500 should be added to the cost of the original truck because if we sell the truck we would sell the toolbox with it. Original cost \$25,000 would now be amended to \$26,500.00.

2.5 Acquisition of Manufactured Property: A district repair facility may manufacture property and use parts of other assets that have been approved for cannibalization by the School Board.

- a) If the item built has a value of \$1,000.00 or more, a tag must be requested by the repair facility using the Fixed Asset Requisition Form. ([PUR003](#))
- b) The value of the property must include all costs for materials and labor; however, if the item is furniture and the cost is \$999.99 or less, a tag number will not be issued.

2.6 Acquisition of Property Through Renovations / New Construction:

- a) The Facilities Department must coordinate with the Purchasing Department when contractor installed equipment is to be ordered. Object codes 645 or 646 must be used for these purchases. The Property Control Department will assist the Purchasing Department in identifying stand alone equipment that qualifies as a 645 and 646 object purchase.

2.7 Acquisition by Lease Purchase: Contact the Property Control Department when considering purchasing property through a lease contract. If the lease qualifies as a capital lease purchase, the Lease Originator will send an amortization schedule and account coding information to the site. The amortization schedule will show the monthly payments for the life of the lease contract, the principle, and the interest portion of each payment.

- a) A capital lease must be for at least one year and cannot be cancelled by the vendor, however, the district reserves the right to cancel the capital lease, if funding is not available.
- b) Place the tag on the item; however, the tag number should not be engraved on the property until all the payments have been made. Location for lease property shall be documented on the sites annual inventory.
- c) If the lease agreement is terminated and the property is returned to the vendor, a memo must be sent to the Property Control Department. The memo should include the tag number(s).

2.8 Acquisition through Warranty Exchange: Normally, assets that are replaced under warranty will keep the same tag number. The replacement asset will need to be engraved with the original tag number and updated with the new serial number and the model if it changes.

2.9 Receiving of Property

- a) Inspect items to ensure that all are accounted for, and none were damaged in transit.
- b) A count should be notated on the carrier's shipping papers.
- c) The purchase order or requisition, packing list and carrier shipping papers should be filed together in your purchasing records.
- d) Upon written notification of receipt of a purchased item that qualifies for a tag (refer to Chapter 1), the Property Control Specialist will issue the appropriate tag(s). A copy of [PUR003](#) must be submitted to Finance along with a copy of the invoice to be paid by the receiver. Upon receipt of the item, the tag(s) should be affixed in a visible and scannable location (upper left front is suggested). The tag number must also be written on the item in permanent marker or engraved.
- e) If tag(s) are not received within three weeks of the date of the notice of receipt, the site should immediately notify the Property Control Department at x53358.
- f) When placing the tag on the property, the site must record all information on form [PUR003](#) BPI Tag Sheet and note the receipt of the property via e-mail to the Property Control Department. The Property Control Department will receive the property on the F822 screen.



- 1) Enter "C" in the Action section, and enter the Purchase order number that coincides with the purchased items. PRESS ENTER.
- 2) All information will automatically fill into the selected fields.

3) Enter the number of units received by the school site. PRESS ENTER. Change the Action section to "P" for posted. PRESS ENTER. This will send notification to the (M213) property control module in TERMS. The Property Control Specialist will assign the appropriate BPI tag number, serial number, acquisition date, check number and verify the original value upon monthly reconciliations with the Finance Department.

4) The Property Control Specialist will then be required to assign a depreciation value on the M205 screen. (FUND, ASSET, FUNC, DEPREC and Original Value)

2.10 Tagging of Property

It is the responsibility of the Property Control Specialist to ensure all capital assets are tagged properly.

- a) All tangible personal property must have the tag placed in a visible and scannable area. For ease of identification and consistency, upper left front is suggested.
- b) Each asset must have "MCSD" and the tag number engraved/marked in a visible area.
- c) For software, audiovisual non-consumable materials, or anything without a physical item to tag, affix the property tag in a property control folder to be able to scan annually.
- d) Recipient of property must notify the Property Control Specialist via email of the receipt of the property within 6 business days of receipt. Please include vendor name and purchase order number in the written notification.
- e) Property Control Specialist must fill out [PUR003](#), affix the assigned bar code(s) and the property must be engraved or marked with a permanent marker within 45 days of payment. Print screens M817 and M818 to assist in filing out form [PUR003](#).

b) **Procedures:** Maintaining and protecting the site's assets is an ongoing process. Keeping complete documentation and continually updating records are essential in having a successful physical inventory. In order to reconcile the physical inventory with the property records in TERMS Asset Management, the site must:

- Identify a staff member to coordinate the site's annual physical inventory. The designated staff member shall distribute room or department inventory printouts. While there may be one or two people that coordinate an inventory, each site should work together in establishing and maintaining the site's inventory records. Every employee and staff member should be held responsible for the assets under their control.
- Staff must check-off items listed on the inventory printout as they are located. Cross-off incorrect information and adjacent to the original information write the correct (serial, model, manufacturer, room number, dept, etc.).
- Staff must return the corrected printout to the property custodian or designee for input in TERMS.
- Contact David Richardson to run an exception report to determine what items in your inventory are still showing outstanding.
- Any items not located must be researched against transfer forms, repair tickets, equipment loan contracts (Renewed annually and includes Band Instrument contracts), property damage reports and any other documentation that may help account for the items.
- The site must create a list of items on inventory that were not found on site. Any requests for removal of property needs to be submitted on letterhead and signed by the principal. Letter should include the asset no., description of property and reason for removal. This will be used to explain obsolete / damaged items that were removed, but paperwork cannot be located.
- Create a list of the items found on site but not on inventory. Compare the list of "found" items against the "missing" items to see if any matches occur. Any requests for transfer of assets to your location needs to be submitted on letterhead and signed by the principal. Letter should include the asset no., description of property, location (bldg. and room) and any explanation how it got to that site.
- At the conclusion of the physical inventory, the **site must update all corrections to the TERMS Asset Management System.**
- The School Principal /Site Administrator must sign, date and submit a copy of the master inventory printout to the Property Control Specialist.
- A copy of the "missing and / or found" list, as well as any necessary transfer forms that had not processed, must accompany the reconciled master inventory printout.

In summary, the following must be submitted to the Property Control Department:

- *The actual master inventory report signed by the Site Administrator*
- Found Asset Letter and List (If applicable)
- Missing Asset / Removal Letter and List (If applicable)
- Any other work papers needed to reconcile the inventory

c) **Property Control Department on-site audit:**

Each month the property control specialist will visit a school/site to perform an on-site audit. Each school/site will be visited each year.

- The Property Control Specialist will select a sample of 5%, or a minimum of 15 items, to sample in an onsite inventory to validate the results of the site's annual physical inventory.
- Approximately three weeks before the audit, a list of the selected assets and notice of the pending audit will be sent to the Site Administrator for locating. They should sent back the notice with proof of their findings (bldg. room, etc)
- The selected items must be available for review by Property Control when they arrive for the audit. In addition to the selected item, several random assets will be selected during the walk around to be crossed checked in the system for correct location, s/n, etc.
- A report will be issued to the Site Administrator with the findings of the on-site audit.
- The site will have thirty days to find missing items before a Final Report is issued. A Preliminary Report will be issued to the Site Administrator.
- After thirty days, the Property Control Department will do a follow-up with the site to see if missing items have been located. A Final Report will be issued and the site's inventory will be rated as "Exemplary," "Satisfactory," or "Unsatisfactory." Copies of the Final Report will be submitted to the Site Administrator.
- If the site's rating is "Unsatisfactory," the Property Control Department may request the school site to do another complete physical inventory of items \$1,000 and higher.

Exemplary rating:

- No missing items/No procedural deficiencies.
- Inventory completed and submitted to the Property Control Department by the assigned due date.

Satisfactory rating:

- New items are engraved/marked when received.
- District School Board labels are attached to appropriate property.
- Twenty (20%) percent or less of audited inventory missing.
- Fewer than two recurring exceptions.

Unsatisfactory rating:

- 10% or more of new items not engraved/marked.
- Inconsistent procedures in receiving or labeling of items.
- More than twenty (20%) percent of inventory missing.
- Two or more recurring exceptions.
- No inventory, incomplete inventory, or inventory submitted 45 work days, or more, after the due date.

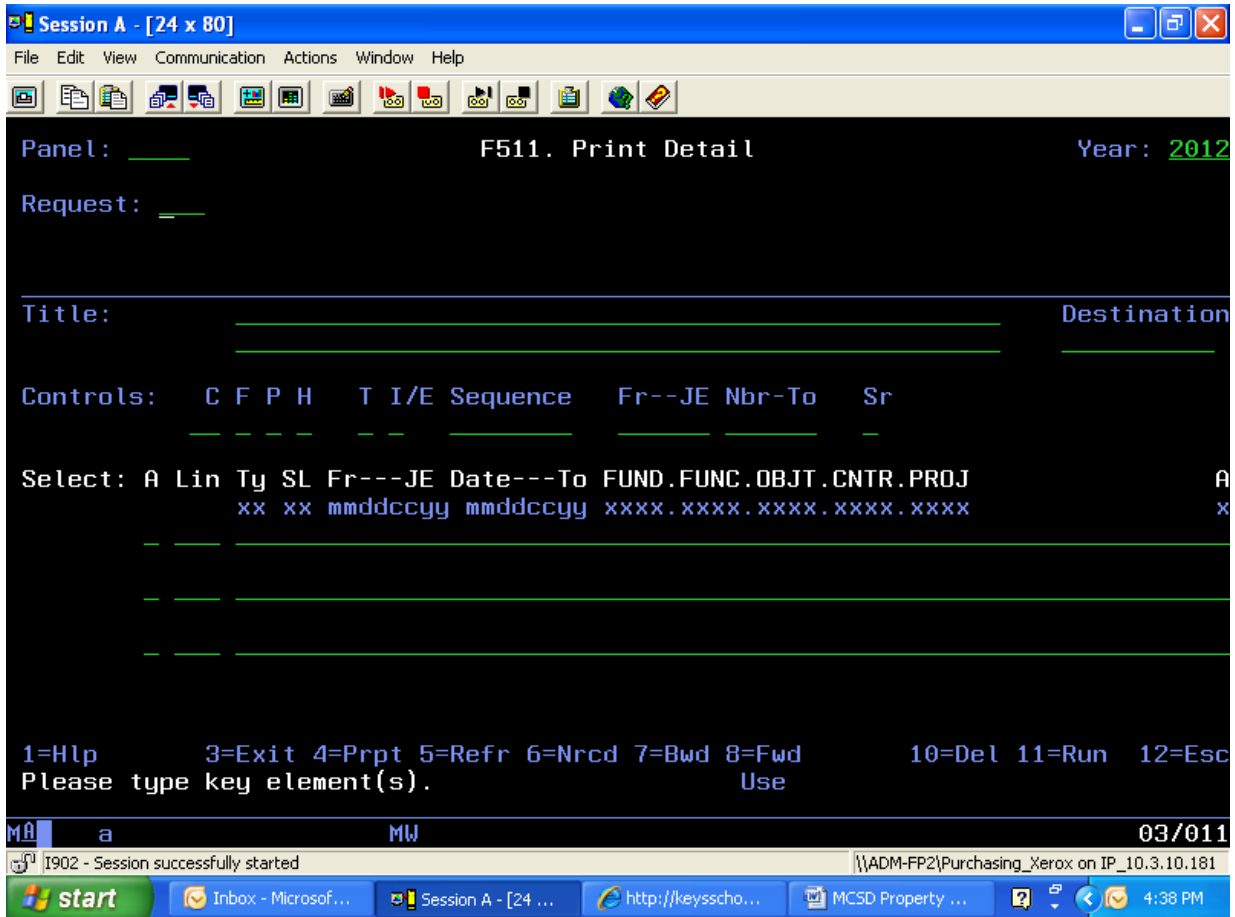
d) Change in Site Administrator:

- The new Site Administrator must ensure that a new physical inventory is completed and signed off indicating they accept responsibility for those new assets.

e) **Property out for repair:**

- All repair tickets must be kept on file.

3.2 Monthly Reconciliations: The Finance Department shall furnish to the Property Control Department a monthly "Expenditure Ledger" for all acquired Fixed Assets. This report shall be accompanied with a copy of the Invoice and Fixed Asset BPI Information Sheet ([PUR003](#)). F511 in TERMS will print the Expenditure Ledger.



- The Property Control Department will verify on the F822 screen that the asset has been "received" in TERMS. (Example: Action C, PO# _____, ENTER. Under RECV, type number received. Action P to post.
- Go to the M213 screen in TERMS to enter required data.
- On the M213 screen, enter the PO#, ENTER. The record will automatically appear. Place the cursor on the record and the press F11 key to bring up the M214 screen to enter the following information:
 - Fixed Asset No.
 - Serial No.
 - Model No.
 - Acquisition Date (will default to current date)
 - Check Number (if available)
 - Verify Original value (modify if Finance Records and Purchase Order differ)

Chapter 4

Transferring Property

4.1 Property Transfer: No person should transfer any property without the approval of the Site Administrator. The following procedures establish the documentation and approvals necessary for transferring property. District sites, repair facilities and the Property Control Department must work together in a concerted effort to account for all transferred property.

- a) The movement of property is handled through various methods (courier, Maintenance, IT, etc.). The type of property being moved will determine the method. When moving Federal Grant property, contact the awarding agency prior to movement. Property is subject to federal property and grant provisions.
- b) Property that is to be transferred, or removed, should be kept in a secure location and should be not stored outside.
- c) District departments will not move property unless it is listed on the transfer form ([PUR001](#)). The signature of the originating Site Administrator or designee must be on the form prior to movement. Site/Dept should retain a signed copy of the Property Transfer Sheet [PUR001](#) for inventory purposes.

Monroe County School Board Property Transfer or Removal

FROM CENTER: _____ (center name) SENDER: _____ (signature)
TO CENTER: _____ (center name) RECEIVER: _____ (signature)
TRANSPORTED BY: _____ DATE: _____
TYPE OF TRANSFER:

<input type="checkbox"/> TEMPORARY TRANSFER Repair: _____ Other: _____	<input type="checkbox"/> PROPERTY TRANSFER DAMAGED DESTROYED ON SITE STOLEN**	<input type="checkbox"/> REQUEST FOR REMOVAL BEYOND ECONOMICAL REPAIR _____ SURPLUS PROPERTY _____
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INITIAL NUMBER	ITEM	DESCRIPTION	BUILDING/ROOM LOCATION SITE TRANSFER	CONDITION (GOOD FAIR POOR)	COMMENTS

Initials of Receiver: _____ Initials of Sender: _____ Initials of Transporter: _____ Initials of Property Control: _____
Copies to Receiver and Sender, Original to Property Control Department.
**Property repaired is not to be reported to have a signed and dated police report attached. 10-2008 (Revised 05-2012)

- d) After the District department completes the delivery of item(s) they must send a signed copy of the transfer form ([PUR 001](#)) and return to the Property Control Specialist.
- Note:** Major renovations and/or remodeling may cause the movement, storage, or relocation to a temporary location. These assets will remain part of the original site's inventory and should not be transferred. A notation should be made in TERMS of the storage location.

Chapter 5

Disposal of Property

MCSB Policy 7310

Subject to State law and regulations of the State Board of Education, the School Board may sell, transfer, or dispose of any school real or tangible property, including instructional materials, which is declared by resolution of the Board to be unnecessary or unsuitable for school purposes because of location, condition, or other cause.

F.S. 112.08, 1001.41, 1001.42, 1001.43, 1006.41, 1006.44, 1013.28

Disposal of Surplus Property

The Site Administrator must ensure the proper disposal of all district property in accordance with District Policies and Procedures. The disposal of all school board property shall be processed through the Property Control Specialist.

When dealing with Federal Grant property, be sure to contact the grant program who purchased it (Head Start, Title I, etc.) so that they can guarantee disposal processes are followed for their program.

When determining the property disposal process please follow the guidelines below:

A. First pull up the item in TERMS and find the original cost as well as the book value.

1. Is the original cost in TERMS under \$5,000 but the item no longer of value to the site OR no longer of value to the District?
 - If it still in good working condition, however you can no longer use it on site, that item should be transferred to the district warehouse. Form [PUR001](#) MUST accompany the item to the warehouse. Upon receipt, the Property Control Specialist will adjust the inventory records in TERMS to 9001-01-100.
 - If it is damaged or beyond economical repair, and retains no value to the district, it can be disposed on site with approval from the Site Administrator. Form [PUR001](#) MUST be sent to the Property Control Specialist. The Property Control Specialist will place property records in TERMS to 9001-01-DEL.
2. Is the original cost in TERMS over \$5,000? If so HOLD. We must get board approval prior to removing the property.
 - If it still in good working condition, however you can no longer use it on site, that item should be transferred to the district warehouse. Form [PUR001](#) MUST accompany the item to the warehouse. Upon receipt, the Property Control Specialist will adjust the inventory records in TERMS to 9001-01-100.
 - If it is damaged or beyond economical repair, and retains no value to the district, it can be disposed on site with approval from the Site Administrator. Form [PUR001](#) MUST be sent to the Property Control Specialist. The Property Control Specialist will place property records in TERMS to 9001-01-DEL.

3. Is there a book value? Be sure to document why the item is being removed from service before its estimated life.
 4. Electronics (tv, computer, radio, AV, projector, etc.)
All electronics can be recycled therefore regardless of condition they should not be discarded. These items should be held by IT at your school/site and reported for removal from inventory by that IT staff member. Once Property Control has taken the items to the board for removal (if applicable) then a recycling pickup will be scheduled by the Property Control Specialist.
- B. Board Approval to Remove
- Property Control will report all property (disposed on site or held due to original purchase amount) to the school board before removal from finance asset records. Once approved, Property Control will determine if the item can be put up for auction or the most efficient and cost-effective means of disposal.
 - The Property Control Specialist will change the “Disposition” (DS) of the removed items to “DE” and add a board removal date in the notes section.
 - The Property Control Specialist will submit a copy of the Board Rationale, spreadsheet of removed items, and supporting documentation to The Finance Department to be removed from the asset records.
- C. Disposal or Sale of Property
- All property with an original cost over \$5,000.00 must be pre-approved by the school board prior to being disposed, unless determined in writing by the site administrator to be in the best interest of the school board to do so otherwise. The school board must be notified in a timely manner of any property with the original purchase cost greater than \$5,000.00 that has been disposed of prior to pre-approval of the board.
 - Any sale of property, the value of which the school district estimates to be \$5,000 or more shall be sold only to the highest responsible bidder, or by public auction, after publication of notice not less than 1 week nor more than 2 weeks prior to sale in a newspaper having a general circulation in the county or district in which is located the official office of the school district. All property valued over \$5,000.00 must be pre-approved by the school board prior to being disposed of by public bid and/or auction.
 - Minimum bid will be established by comparing like items of age, make, model, etc. Bids will be listed for a minimum of one week. If no bids are received a second attempt will be made to sell the item reducing the minimum bid to an amount determined by the Purchasing Supervisor. If no bids are received a second time, the item can be donated to a non-profit or disposed of by the most economic means possible, as determined by the Purchasing Supervisor.

5.1 Disposal of Property:

- a) **Natural Disasters/Pest Infestation:** Throughout the year, fires, storms, lightning, or termites may damage property beyond economical repair. If this occurs, the site administrator has authorization to “dispose on site”, but **MUST** submit form [PUR001](#). The warehouse/Property Control Department may assist in the final disposal method.
- b) **Vandalism/Theft/Missing:** A Property Damage/Loss Report must be submitted when property is vandalized, stolen, or cannot be located. The report must include a police report if the item(s) is reported as stolen. Attach the Police Report to Form [PUR001](#).
- c) **Trade-in:** This can occur when the site exchanges existing property for a new item and receives a monetary allowance for the traded property. The cost of the new property is the allowance plus the cash paid. When a trade-in takes place, the site must:

- In the comment section of the requisition, list the tag number of the item(s) traded in. An explanation of the trade-in is required.
- The amount of the credit must be listed on the requisition.
- The recorded cost of the item will be the amount paid plus the credit received.

Example of how a trade-in it should be listed on the requisition:

Unit price (full price)	\$1,500
Credit	<u>(300)</u>
Net Cost	\$1,200

- d) **Obsolescence/Surplus:** When this occurs, a form [PUR001](#) must be completed and submitted. The Administrator of the department that repairs the particular type of equipment will determine if the item can be used elsewhere (Federal Grant property must have approval from the awarding agency prior to declaration), if it is surplus, or if it is to be cannibalized or junked. Public auctions may be held periodically to dispose of obsolete/surplus property.
- e) **Cannibalization:** Only district repair facilities can determine if an item is to be cannibalized. A district repair facility may initiate a transfer of property to the surplus warehouse if the item(s) is beyond economical repair. Residual parts must be sent to the surplus warehouse for disposal. All property that has been cannibalized must be taken to the school board to be removed from the asset report.
- f) **Conversion of Property:** A site may determine that an asset can be better utilized in a manner other than its intended use. In a computer repair class, an obsolete computer may serve a better purpose as individual parts for display. This conversion of property to an instructional material will require approval from the appropriate district repair facility. If the district repair facility agrees with its new intended use, the Site Administrator must submit form [PUR001](#). The district repair facility will approve the item as obsolete and forward the transfer form to the surplus warehouse for processing and removal from the district's TERMS Asset Management.

5.2) Removal of Sensitive or Confidential Information from Storage Devices:

The site must ensure that surplus or obsolete property (including desks, file cabinets, etc.) does not contain personal, sensitive, or confidential information on students or staff.

- a) Sensitive or confidential information must be removed from all electronic and recording devices, and photographic equipment, such as:
- Computers (hard drives), routers, printers, still cameras, movie cameras, digital cameras, fax machines, video cameras and other imaging devices.
- b) Sensitive or confidential information must be deleted from storage mediums such as film, diskettes, audio and videotapes and CDs.

5.3) Disposal by Donation: NON PROFIT ORGANIZATION//STUDENT

Form [PUR002](#) must be signed by the receiving organization/person with the authorization of the Superintendent/Site Administrator. This property is donated as is, no warranty or maintenance agreements. It is not supported by the Monroe County School District or employees for any maintenance, service or repairs. Proper disposal is the responsibility of the organization/person receiving the donation

Appendix A - Object Codes

Sites must put the correct object code on their requisition when purchasing fixed assets. The objects used to acquire property are in the 6xx grouping.

360 Rentals: Includes fees charged for annual maintenance of software and broadcast rights fees. This includes subscription software.

621 Audiovisual Materials – Non-Consumable: Use this object code for non-consumable materials such as film, filmstrips, recordings, exhibits, charts, maps and globes and the cost is \$1,000 or more.

622 Audiovisual Materials: Use this object code when the cost of the audiovisual materials is \$999.99 or less.

641 Furniture, Fixtures, and Equipment: Use this object code for the majority of capitalized purchases when the cost is \$1,000 or more. Do not use this object code when purchasing computer hardware, audiovisual materials, software or vehicles.

642 Furniture, Fixtures and Equipment: Use this object code when the cost is \$999.99 or less.

643 Computer Hardware: Use this object code when purchasing computer related items and the cost is \$1,000 or more. Do not use this object code for software.

644 Computer Hardware: Use this object code when purchasing computer related items and the cost is \$999.99 or less. Do not use this object code for software.

645 Furniture, Fixtures and Equipment: Use this object for contractor installed equipment at new or renovated sites that is a Direct Purchase and the cost is \$1,000 or more.

646 Furniture, Fixtures and Equipment: Use this object for contractor installed equipment at new or renovated sites that is a Direct Purchase and the cost is \$999.99 or less.

651 Buses

652 Vehicles: Use this object code when purchasing heavy-duty vehicles.

654 Vehicles: Use this object code when purchasing passenger cars, pickup trucks and vans.

691 Software: Use this object code when the cost is \$1,000 or more. (See object 360 when purchasing subscription software).

692 Software: Use this object code when the cost is \$999.99 or less. (See object 360 when purchasing subscription software).

Note: Object codes are obtained from the state manual entitled: Financial and Program Cost Accounting and Reporting for Florida Schools ("The Red Book").

Appendix B - References

I. Florida Statutes

Florida Statutes Title XVIII, Chapter 274

This chapter addresses tangible personal property owned by local governments.

Chapter 274.01 Definitions

This chapter defines “Governmental unit,” “Custodian” and “Property.” The governmental unit is the governing board, the custodian is the superintendent and property means all tangible personal property, owned by a governmental unit, of a non-consumable nature.

Chapter 274.02 Record and Inventory of Certain Property

This chapter addresses inventory records and the requirements that the Chief Financial Officer shall establish by rule the requirements for the recording of property.

Chapter 274.03 Property Supervision and Control

This chapter addresses the governmental unit’s responsibility for the supervision and control of district assets. The school board has delegated this responsibility to the superintendent.

Chapter 274.04 Property Acquisition

This chapter addresses the acquisition and exchange (trade-in) of property.

Chapter 274.05 Surplus Property

This chapter addresses the sale and disposal of surplus / obsolete property.

Chapter 274.06 Alternative Procedure

This chapter offers additional options to Chapter 274.05.

Chapter 274.07 Authorizing and Recording the Disposal of Property

This chapter states that the authority for the disposal of property shall be recorded in the minutes of the governmental unit.

EDGAR 80.32 Education Department General Administrative Regulations

II. GAAP - Generally Accepted Accounting Principles

Financial Accounting Statement 13 – Accounting for Leases

This Statement establishes standards of financial accounting and reporting for leases by the lessee and the lessor. For the lessee, a lease is a financing transaction called a capital lease, if it meets any one of four specified criteria; if not, it is an operating lease. The lessee treats capital leases as the acquisition of assets.

III. Rules of the Auditor General

Chapter 10.400 of the Rules of the Auditor General stipulates the procedures for property records. The purpose of these rules is to implement Chapter 274, Florida Statutes. This chapter has been removed and authority assigned to the Chief Financial Officer under the Florida Department of Financial Services.

IV. Department of Education (DOE) “The Red Book”

The District utilizes the DOE (“The Red Book”) in assigning object codes.

V. The School District of Monroe County Policies

The School Board Policies are available on the district's web page. The District follows state statutes, Rules of the Auditor General, Florida Department of Education (DOE) guidelines and applicable federal rules and regulations in establishing district policies.

Appendix C – Definitions

This appendix contains definitions of terms used in this manual and such additional terms that seem necessary to achieve a common understanding of tangible and intangible personal property.

Acquisition Date – The date the item(s) is received by the school district, or the date the Site Administrator accepts a donation.

Attest Letter – A memo by the Site Administrator and approved by the Area Director (or Department Head) that is submitted to the Property Control Department to explain the loss, removal, or destruction of an asset. The attest letter is used when the exact circumstances of the removal of the asset is known, but transaction paperwork cannot be located. As an example, an attest letter may be used when an asset was removed or destroyed without paperwork due to an emergency, or represents a safety / health issue.

Beyond Economical Repair – This occurs when the cost of repairing an asset surpasses the value of the item.

Cannibalized – The process where parts are removed from one item in order to maintain, repair, or possibly improve a different item.

Cost – The acquisition or procurement cost: e.g., invoice price plus freight and installation charges less discounts.

Depreciation – An accounting term used to reduce value of a fixed asset over time.

Equipment – A material item of non-expendable nature, unit of furniture or furnishings, an instrument or apparatus, a machine (including attachments), instructional skill-training device, or a set of small articles whose parts are replaceable or repairable, the whole retaining its identity and utility over a period of time characteristic of items of its class. A material unit that meets all of the following conditions:

- It retains its original shape and appearance with use.
- It is non-expendable; i.e., it is usually more economically feasible to repair than to replace.
- It represents an investment of money, which makes it feasible and advisable to capitalize the item.
- It does not lose its identity through incorporation into a different or more complex unit or substance.

***NOTE:** Equipment built-in or fixed to the building or grounds is considered part of the building or land improvement, and is to be charged to those respective accounts.*

Equipment Loan Contracts -. This includes equipment on loan to staff, as well as band instruments loaned to students or other schools.

Exceptions – Actions the auditor believes are needed to correct problem areas and to improve operations.

Fixed Assets – Machinery, furniture, and other equipment that has a useful life in excess of one year. “Fixed” does not indicate immobility of an asset.

Generally Accepted Accounting Principles (GAAP) – Are rules and procedures established by authoritative bodies or conventions that have evolved through custom and common usage.

- The Governmental Accounting Standards Board (GASB) establishes accounting principles and financial reporting standards for state and local governmental entities.
- The Financial Accounting Standards Board (FASB) establishes accounting principles for non-governmental entities.
- The General Accounting Office (GAO) establishes accounting principles and financial reporting standards for the federal government.
- Some state and local governments and regulatory bodies also have established specific accounting principles.

Intangible Personal Property – A fixed asset having no physical existence. Software is an intangible asset.

Property Damage/Loss Report – This is the email form that is used to report damage, loss, theft, vandalism, fire, etc. of a building or asset. All reports of stolen assets must have a police report number. All PDR-100s that report loss or stolen equipment are submitted to the Board on a regular basis.

Purchase Order– A document issued to a vendor authorizing the delivery of goods or services, which implies the obligation of funds.

Serial Number – Most items (computers, printers, vehicles, etc.) are given a unique identification number by the manufacturer. This number is essential in tracing missing or stolen property. The site is responsible for recording the serial number when the item is received.

Supply – An item of expendable nature that is consumed and quickly worn out with use or is too little of value to classify as an inventory asset. It may also lose its identity through fabrication or incorporation into a different or more complex unit or substance.

Surplus Property – The District shall have the discretion to classify as surplus any of its property, that is obsolete or the continued use of which is uneconomical or inefficient, or which serves no useful function. With School Board approval, surplus property may be sold to the highest bidder at public auction. Surplus property without commercial value may be donated or destroyed. (F.S.274.06)

Tag Number - The unique asset number assigned and affixed to each item of property to identify it as property of the School District of Monroe County and used to differentiate one item of property from another. The asset number is sometimes referred to as the “DSB” (District School Board) number.

Tangible Personal Property – Equipment and other tangible property of a non-consumable nature owned by the District.

Value – The worth or marketable delivered price (fair market) at the date of acquisition or any subsequent evaluation or appraisal date.