

A physical inventory and records of all fixed assets owned by the district will be maintained and updated yearly by the superintendent or designee. . For property purchased using federal funds, the physical inventory will be conducted and reconciled with property records at least once every two years. The inventory will be reconciled with the district's accounting records and will be reported to the board.

## **DEFINITIONS**

“Capital assets” means tangible or intangible assets used in district operations having a useful life of more than one (1) year which are capitalized in accordance with GAAP, including (a) land, building (facilities), equipment, and intellectual property (including software), whether acquired by purchase, construction manufacture, exchange, or through a lease accounted for as financed purchased under Government Accounting Standards Board (“GASB”) standards or a finance lease under Financial Accounting Standards Board (“FASB”) standards; and (b) additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).

“Computing devices” means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information.

“Equipment” means tangible personal property (including information technology systems) having a useful life of more than one (1) year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the district for financial statement purposes or \$10,000.

“Fixed asset” means property that is tangible in nature, including real property, buildings and improvements, equipment, and materials and supplies, which will not be consumed or converted to cash in the current accounting period.

“Supplies” means all tangible personal property other than those described in the definition of “equipment” herein. A computing device is a supply if the acquisition cost is below the lesser of the capitalization level established by the district for financial statement purposes or \$10,000, regardless of the length of its useful life.

## **PROPERTY RECORDS PROCEDURES**

The business manager [or identify other responsible person] is responsible for checking all items received against the invoice or other documentation provided at delivery to ensure accuracy of

delivery. Inventory items will be recorded on a master inventory list. All goods and equipment purchased using federal fund shall be delivered to the district office and received by the business manager [or identify other responsible person]. Upon receipt of goods or equipment, the business manager [or other responsible person] shall notify the superintendent or designee of the fulfillment of the purchase order.

Property records shall show, appropriate to the item purchased, the following:

- Description and identification;
- Manufacturer;
- Date of purchase;
- Initial cost;
- Location;
- Serial number, if available; and
- Model number, if available.

Any change in condition or status of property held by the district should be recorded in the inventory records. In the event the property is sold, lost, or stolen, or cannot be repaired, the item will be removed from the master inventory list. The date of the change will be listed along with the sale price if the item is sold.

### **PROPERTY CLASSIFICATIONS RELATING TO FEDERAL AWARDS**

Equipment and supplies with a useful life of more than one (1) year, including computing devices, will be engraved with “Property of [name of district]” and with appropriate equipment identification.

Title to supplies purchased by a federal grant subrecipient (e.g., the district) vest upon acquisition by the subrecipient. When there is a residual value of \$10,000 in aggregate of unused supplies at the end of the performance period, the subrecipient may retain the unused supplies or sell them. In the event more than \$10,000 in aggregate value of unused supplies is sold within one (1) year, the federal grant subrecipient must remit all funds gained from sale back to the pass-through agency (e.g., the State Department of Education or “SDE”)) except for \$1,000 to cover the cost of sale. Unused supplies are supplies in new condition that have not been used or opened before.

### **PHYSICAL INVENTORY PROCEDURES**

Each staff member will inventory property items in their room at the end of each school year. The inventory sheet should be signed by the staff member taking the inventory as verification and reviewed by the business manager [or other responsible person] and securely maintained. Computer and technology equipment will be inventoried as designated by the superintendent or designee, such as a Google docs management program or Excel spreadsheet, and maintained by the business manager [or other designee]. Any discrepancies between the physical inventory and

the master inventory list will be researched by the business manager [or other designee] and noted in the master inventory.

## **RECORD KEEPING REQUIREMENTS FOR FEDERAL GRANT AWARDS**

The district maintains all records that fully show (1) the amount of funds under federal grants or subgrants; (2) how the subgrantee uses those funds; (3) the total cost of each project; (4) the share of the total cost of each project provided from other sources; (5) other records to facilitate an effective audit; and (6) other records to show compliance with federal program requirements. The district also maintains records of significant project experiences and results. These records and accounts will be retained and made available for programmatic or financial audit. For purposes of compliance with state and federal record keeping requirements, the district will maintain the above-identified records for a period of five (5) years and one audit year record, for a total of six (6) years' retention. The district will otherwise follow state law and its written policies on retention and destruction of records.

Property records of property purchased using federal funds will include:

- Description of the property;
- Serial number or other identification number;
- Source of funding for the property (including the FAIN);
- Title holder;
- Acquisition date;
- Cost of the property;
- Percentage of the federal agency contribution towards the original purchase;
- Location, use, and condition of the property; and
- Any disposition data, including the date of disposal and sale price.

The district will update property records when there is a change in the status of the property.

### Access to Records

The district provides the awarding federal agency, Inspectors General, the Comptroller General of the United States, and any pass-through entity, or any of their authorized representatives the right of access to any documents, papers, or other records of the district which are pertinent to the federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the district's personnel for the purpose of interview and discussion related to such documents.

## **ACQUISITION, USE AND DISPOSAL OF PROPERTY**

Fixed assets shall be acquired, maintained, used, and disposed of consistent with district policies and all applicable laws and regulations. No fixed assets shall be removed for personal or non-school use except according to district policy.

Fixed assets will be depreciated using the straight-line depreciation for financial reporting. The useful life of an asset will be based on current industry standards.

When appropriate, the district will have general appraisals of district property prepared by qualified appraisers.

#### Lost or Stolen Items

The district maintains a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of district property. The control system also ensures investigation of any loss, damage, or theft of equipment purchased with federal funds. When equipment purchased with federal funds is lost, damaged, or stolen, and such loss, damage, or theft will have an impact on the program, the district is required to notify the State Department of Education.

#### Use of Equipment Purchased with Federal Funds

Equipment purchased with federal funds must be used in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by the federal award. The district will not encumber property without prior approval of the federal awarding agency and the pass-through entity (e.g., the SDE).

During the time equipment is used on the project or program for which it was acquired, the equipment will also be made available for use on other projects or programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the project or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the federal awarding agency that financed the equipment. Second preference will be given to programs or projects under federal awards from other federal awarding agencies. Use for non-federally funded programs or projects is also permissible.

When no longer needed for the original program or project, the equipment may be used in other activities supported by the federal awarding agency, in the following order of priority:

1. Activities under a federal award from the federal awarding agency which funded the original program or project; then
2. Activities under federal awards from other federal awarding agencies.

When the property is no longer needed by the district, disposal of the property will be subject to Idaho Code §33-601(4), policy 922, and all other applicable state or federal law, regulations, or district policies.

Any equipment purchased with federal funds that is no longer useful to the grant program may be sold, retained, or otherwise disposed of without any obligation to the federal awarding agency if the equipment has a residual market value of less than or equal to \$10,000.

Anytime the district is authorized to sell property purchased in whole or in part with federal grant funds, the district shall follow all applicable district policies and procedures and ensure the highest possible return.



**LEGAL REFERENCE:**

Idaho Code Sections

33-506(1) - Organization and Government of Board of Trustees

33-601 – Real and personal property – Acquisition, Use or Disposal Same

33-701 – Fiscal Year – Payment and Accounting of Funds

2 CFR Part 200 – Uniform Administrative Requirements Cost Principles, and Audit  
Requirements for Federal Awards

**CROSS-REFERENCE:**

Acquisition and Sale of School Property #922

**ADOPTED:** January 13, 1999

**AMENDED:** September 15, 2026