



PROPERTY CONTROL PROCEDURES

Inventory Control Designee (ICD) Training

Warehouse & Property Management

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Objective

To provide procedures for the accountability of all capital and non-capital assets that are the property of the District. All property is owned by the District and not by a specific individual, department or school. Capital assets are tracked in the District's inventory software system (SKYWARD) in accordance with the procedures provided herein.

Inventory Control Designee (ICD) Responsibilities

- Responsible for the day-to-day inventory activities and processes within the cost center. The ICD is charged with ensuring that all tangible personal property – including capital assets, attractive items, and consumable property are inventoried appropriately and records are updated to reflect the correct model, type, serial number and assigned location (department, building and room number). These responsibilities should include the following functions:
 - Assist Property Management with the annual inventory certification.
 - Utilize appropriate forms and approvals for recording the movement and disposition of property.
 - Storing equipment in environmentally suitable locations to prevent corrosion, contamination and damage of sensitive parts.

Definitions

- **Attractive Item** - Portable technology over \$1,000 (Laptops)
- **Capital Asset** - Those tangible assets of the District with a useful life in excess of one (1) year and an initial cost equal to or exceeding \$5,000.
- **Consumable Property** - Tangible personal property with a useful life less than one year and/or an acquisition cost of less than \$5,000. Although tagging and annual inventory of consumable property is not required, departments are still held accountable for the safeguarding of such items.
- **Property Control Number** - The number assigned to an item by the Property Management Department; usually in the form of a decal, which is affixed to a Capital Asset or Attractive Item.
- **Tangible Personal Property** - Equipment, fixtures, and other tangible property of a non-consumable nature. All tangible personal property items that are capital assets or attractive items acquired by or for the District through purchase, donation, or transfer should be recorded in the District property records.

Property Tagging

- When assets costing \$5,000 or more or portable technology costing over \$1,000 are acquired, a Property Received form must be completed by the receiving cost center and sent to Property Management noting the following:
 - PO Number / Pcard
 - Unit Cost
 - Serial Number-----Service Tag Number (if pre-numbered by Dell or HP)
 - Item Description
 - Location----- (ex. Bldg. 5 Room 213)

Property Tagging continued

- All property control numbers/tags for capital assets/attractive items are assigned by the Property Management department or T&IS, who will coordinate with the department's ICD in order to ensure a tag is affixed to each capital asset acquired and all pertinent data about the newly acquired capital asset is recorded in the District inventory system.
- Capital assets/attractive items procured through school internal accounts are subject to all the same requirements and must be recorded in the District inventory system.
- The cost center receiving the asset is responsible for completing all Property Received forms, regardless of whether it initiated the purchase.
- Any school or department buying equipment for another cost center is required to send all backup documentation showing all purchased items to the receiving cost center so the receiving cost center can complete the Property Received form accurately and in a timely manner.

Property Tagging continued

- When new property is received, the ICD will ensure that the property is stored in a secure place until tagged by Property Management. Each cost center should have a central receiving location that has limited, secure access.
- If the property needs to be used before it is tagged, a record of its location and the employee who has it should be kept by the ICD.
- If the property cannot be located to be tagged, a property record number will be assigned to the missing property.
- In the event the property is not located, a Transfer of Property form must be completed stating the item is missing or stolen.
- If an item is to be replaced by the manufacturer due to failure, a Transfer of Property form must be completed and the replacement item will receive a new property record number. It will be added to the cost center's inventory using the same information as the original purchase, with the updated serial number.

Removed or Lost Property Tags

- Occasionally, property tags are removed, lost or damaged in a manner that does not allow them to be viewed.
- Regardless of the cause, it is the responsibility of the cost center ICD to ensure the integrity of the asset tag is retained.
- The property control number should be visibly written in permanent marker on the equipment in order to maintain the ability to identify it during any inventory processes.

Standards and Forms for Reporting Capital Assets and Attractive Items

- For ease of reference, the following are the standards used for reporting the disposition of tangible personal property, along with the associated applicable forms/documents.
- These items are located in the forms management section of the LCS website at: <https://www.leonschools.net/Page/50764>

Property Management Forms

All forms are available in the forms management section of the LCS website at:

<https://www.leonschools.net/Page/50764>

- **Property Received form** – Used to document new tangible personal property that requires a fixed asset number. This form is used for purchases made by purchase orders, PCards, internal account purchases and donations.
- **Property Transfer form**– Used to document the authorization and receipt or transfer of tangible personal property leaving or entering a cost center. This includes permanent transfers to other cost centers, items sent to the Property Management Surplus Warehouse, and items sent to salvage. This form is also used when permanently transferring equipment to another governmental agency, school district, ESE student, etc.
- **Temporary Removal of Property** – This form is used to document the authorization of tangible personal property being removed from the cost center and assigned to an employee for work-related use at home and temporary loans to employees or students.
- **Plant Security Report** – Used to document the loss, theft or damage of all property. This can be the result of burglary, vandalism, theft, fire, disappearance or damage. A copy of this form should be completed and submitted by the site to Property Management as soon as the occurrence is discovered. The Property Management department will forward the report on to Risk Management and Safety & Security. A copy of the official police report must accompany the form when it is sent to Property Management.

Inventory Terminology

- **Recovered** – Recovered assets include previously reported unlocated assets that have been found that need to be added back to the perpetual inventory records. Restoration of recovered assets requires a memo signed by the ICD and must include the location (department, building and room) where the asset is physically located.
- **Purchases** – A tangible personal property asset is added to the inventory records based on an expenditure from a capital asset account of \$5,000 or more.
- **Donations & Internal Account Purchases** – If additions are acquired through internal accounts or donations, submit a Report of Property Received form to Property Management.
- **UTL “Unable to Locate”** – Assets which are not located during the annual physical inventory.
- **Stolen** – Stolen assets must be supported with a Plant Security Report and a police report and must reflect a finding of burglary. The asset value above the insurance deductible may be reimbursed by LCS insurance. The Plant Security Report must be prepared and certified by a third-party law enforcement agency or the District Safety & Security department. The Plant Security Report must be submitted to Risk Management within 12 hours of discovery of the incident.

Inventory Terminology continued...

- **Transfers (including surplus)** – A Transfer of Property Form is required for all fixed asset transfers. The principal / site administrator in the releasing cost center and the principal / site administrator in the receiving cost center must sign the Transfer of Property Form.
- **Vandalism** –Vandalism must be reported on a Plant Security Report, prepared and certified by a third-party police officer and the LCS Safety & Security department.
- **Cannibalized** – A cost center may take salvageable parts from a piece of equipment for use in building or repairing another piece of equipment. Cannibalization should be documented on a Transfer of Property Form to be provided to property management.
- **Other Deletions** – This category is only used when established procedures are not followed in the removal of assets from inventory. Supporting documentation must include a signed memo by the principal / site administrator and must specify the reason for the deletion and include other appropriate documentation.

Internal Account Purchases / Donations

- The Property Management department shall be notified when items valued at \$5,000 or more or a laptop over \$1,000 are purchased or received through donations or internal accounts.
- Such notification shall include a completed Property Received form with a description of the item(s) purchased or received, including the manufacturer's name, model, serial or identification number, date acquired, and total cost (or fair market value if donated).
- If the source of the acquisition is unknown, this should be indicated on the Property Received form and certified that the items are not the personal property of individuals or organizations other than LCS.
- Once the Property Received form is received by Property Management from the cost center, the Property Management staff will visit the cost center and physically affix a property tag on the item(s) listed on the form.

Security of District Assets

- All property items should be secured in a manner that reduces the likelihood of theft, damage or loss. This may include storing smaller, light items, such as laptops, iPads, projectors, etc., in locked file cabinets when not being used. The room should be routinely locked when no one is present.
- Temperature limitations should be followed when using or storing an item, specifically computers and software. Ensuring that the bar-coded tag is affixed to the property item should reduce the risk of theft or loss.

Annual Inventory Certification

- Pursuant to [School Board Policy 7450-Property Inventory](#), “All real and tangible personal property shall become the direct responsibility of the school principal/site administrator, including its care, custody, safekeeping and accounting for all property.” In compliance with [Florida Administrative Code Chapter 691-73.006](#), an inventory of all tangible personal property with a cost or value of \$5,000.00 or more shall be taken once each fiscal year and at the change of administration to verify the presence of listed property items at each designated location. At this time, all property to be audited must be at the site location.

Annual Inventory Certification

- School/Department will be provided with a property record report of all tangible personal property assigned to their cost center along with an Inventory Discrepancy Form.
- Sites that reported a 100% physical inventory in the previous year are designated as “gold status” and will verify and self-report the current annual year inventory. A site can only be designated as “gold status” in alternate years. Self-reporting sites are required to return their annotated property record report along with the signed Inventory Discrepancy Form within fifteen (15) days of receipt of reconciliation request unless the Property Management department has approved an extension.

or

- A member of property management will schedule a time to meet with the site ICD to do a complete physical inventory.

Annual Inventory Certification

- The items listed on the property record report shall be physically identified and each item shall be checked off indicating the information on the property record report is accurate. Noted differences such as location shall be investigated and corrected as appropriate or alternatively, the item shall be relocated to its assigned location in the individual property record report.
- Items notated as UTL “unable to locate” during the inventory process shall be reported on the Inventory Discrepancy Form which shall cause a thorough investigation to be made. Property Management staff along with the ICD will endeavor to locate and/or discern disposition of the item. If the investigation determines that the item was stolen, the individual property record report shall be so noted, a Plant Security Report completed, and a report filed with the appropriate law enforcement agency describing the missing item and the circumstances surrounding its disappearance.

Annual Inventory Certification

- The annotated property record report along with the completed Inventory Discrepancy Form must be sent to Property Management along with any supporting documentation of disposition of UTL's.
- Upon final verification, the Principal/Site Administrator will be sent an Inventory Certification Form to confirm accuracy and completion of the annual inventory reconciliation.
- Site Administrators that report UTL items in excess of 2% of their total inventory will be required to submit a plan to provide adequate safeguards to prevent loss, damage, or theft of the property under their management.
- All items reported as UTL will be removed from the property record for the site and subsequently presented to the School Board for write off.

Donation of Property to the Board

- Property may be donated to the Board without expenditure of funds other than shipping costs. The procedure and documentation required for the donated item(s) depends on the benefiting site.
- Prior to acceptance of donated property, the Site Manager should send a memo to the Property Management department detailing the following information about the item(s):
 - Itemized list of donated items, with complete descriptions
 - Value (cost or fair market value)
 - Site and Funding Code to which the property is to be assigned
 - Name and address of the donor
- A copy of the memorandum should be maintained on file with the Site Manager or designee.

Donation of Board Property

- Items to be donated must be made available for inspection by other cost centers to see if there are any items that can be used at other locations.
- **It's important to remember that a cost center cannot unilaterally decide to dispose of (donate or junk) a piece of property unless such disposition first has been approved by the Property Management department. To initiate the process, the cost center submits a completed Transfer of Property form indicating its intent.**

Property Transfer Procedures

- The cost center's ICD will complete a Transfer of Property form, listing all items required for transfer and including all property record numbers and serial numbers. The Principal or Site Administrator and the ICD should sign the form.
- A member of the Property Management staff will call to arrange a time for pickup of the property. The property should be located in a central site, ready to go. Property will be checked against the Transfer of Property form and, upon loading, the Property Management staff member will sign the form to acknowledge receipt of the items.
- The ICD should make a copy of the Transfer of Property form with all signatures for the cost center's records and return the original to the driver before the driver leaves the site.
- **NO MATERIALS WILL BE ACCEPTED BY THE PROPERTY MANAGEMENT DEPARTMENT WITHOUT APPROPRIATE COMPLETED FORMS.**

Transfer of Property

- **Property may be transferred for the following reasons:**
 - When property can be used by another cost center.
 - When an employee is changing cost centers and has permission from the sending and receiving Department Director or Principal to take property with him/her.
 - When special needs property accompanies a student from one school to another.
 - When property is located during an annual inventory and it is not on the inventory of the cost center that is being inventoried.
 - When property is sent to surplus for removal.

Transfer of Property continued...

- **The Transfer of Property form should be completed as follows:**
 - The “Transfer By” line is be completed by a representative of the sending cost center.
 - The “Transfer to another school or department” item (B) should be checked and the receiving location should be indicated.
 - In the space provided list: asset ID number, description & serial number of the property that is being transferred.
 - If the property was located during an annual inventory, the room number should be included with the description.

Transfer of Property continued...

- **Removing Property from Assigned Cost Center**

Any time tagged property leaves an assigned cost center, written authorization must be obtained from the cost center administrator/director. A Transfer of Property or Temporary Removal of Property form must be completed.

Transfer of Property continued...

- The form must be signed by the administrator/director of the cost center and the individual removing the equipment.
- In addition, the fixed asset number, asset description and serial number of the item(s) must be indicated on the Transfer of Property form.
- Any employee who either removes equipment or permits the removal of equipment from LCS property without proper authorization could be subject to disciplinary action up to and including termination of employment.

Transfer of Property continued...

- Transferring Equipment to Another Cost Center – When permanently transferring equipment to another cost center a Transfer of Property form must be completed and the original must be sent to the Property Management department.
- The Transfer of Property form must have all required signatures. Although the equipment may be located at non-LCS locations, the ownership of that equipment remains with LCS.
- If outside agencies with such equipment determine that these items are of no further use to them, arrangements should be made as soon as possible for the equipment to be returned to the overseeing LCS department or sent to the Surplus Warehouse.

Transfer of Property continued...

- **Permanent Transfer / Donations to Non-LCS Facilities** – From time to time, it may be determined that equipment assigned to non-LCS facilities on a temporary basis should be transferred to those agencies permanently. In these cases, the LCS Board must approve the transfer.
- A letter setting forth the rationale and other details of the transfer, along with the fixed asset number(s), asset description, historical cost and net book value, must be completed by the applicable ICD and forwarded to the Property Management department.
- The matter will then be submitted to the LCS Board for official action. Once approved by the Board, Property Management will remove the item(s) from the cost center's inventory.

Transfer of Property continued...

- **Repairing Equipment** – From time to time, it may become necessary to have equipment repaired. Regardless of whether the repair work is performed by the District or by an outside vendor, a Temporary Removal of Property form must be completed and signed by the ICD prior to removal of the item(s) from the cost center.
- Documentation must be on file showing that the removal was approved by the ICD. A copy of the Temporary Removal of Property form must be maintained by the ICD in a central location, within a three-ring binder or a folder.
- In the event the equipment is determined by an outside vendor to be unrepairable, a Transfer of Property form must be completed to transfer the equipment to surplus.

Transfer of Property continued...

- The same requirements hold true for the transfer/donation of any other property to an outside agency. Any equipment reported as lost, damaged or stolen by a non-LCS location must be supported by a Plant Security Report and police report and forwarded to Property Management.

Renovation Projects or Facility Closures

- The following steps should be followed if storage of property is necessary as a result of renovations or a facility closure at a cost center:
 - Prior to the start of a project, a finalized inventory should be conducted.
 - The Inventory Control Designee (ICD) on site will work with the designated Property Management staff member and the Project Coordinator to screen, tag or label all furniture and property to designate it for removal, surplus or relocation. The ICD should have the authority to make appropriate decisions regarding the classification of items.

Renovation Projects or Facility Closures continued...

- A separate secured storage place (possibly storage trailers) will be provided for items marked for removal, items marked for surplus, and items marked for relocation. The ICD will inventory each item as it is stored and create a master list for each space.
- No items will be added to or removed from the secured storage space without the direct involvement of and approval by the ICD on site. This process will assist the Property Management staff as it conducts annual inventories.
- The ICD will work with the designated Property Management staff member to create the appropriate inventory forms for items marked for removal, surplus or relocation. A trailer designated for surplus shall contain the Transfer of Property Form in an envelope at the back of the trailer before it is closed.

Renovation Projects or Facility Closures continued...

- The ICD will coordinate with the appropriate personnel to have items hauled away for removal and items delivered to surplus property. **No item will be moved without the appropriate inventory forms on hand.**
- The ICD will coordinate with school staff, facilities staff and property management staff to schedule the relocation of items. Each item will be inventoried as it is delivered to a new space. A designated time will be arranged by the ICD for other cost centers to inspect items marked for surplus property.
- The ICD will tag each item wanted by another cost center. The receiving cost center will be responsible for arranging for the moving of the items in a timely fashion. **No item will be moved without the appropriate inventory forms on hand.**

Renovation Projects or Facility Closures continued...

- Immediately after a project has been completed, a physical inventory should be conducted. Depending on the status of the project, this inventory should be done after each phase or building is completed.

New construction

- The Inventory Control Designee (ICD) on site will receive all items and log them in.
- A secured area must be provided in a timely fashion for the receipt and storage of all property.
- The ICD receiving items will inventory all items on site, verify delivery against purchase order and create and maintain the delivery and acceptance log.
- The ICD will coordinate with cost center staff to deliver items to the designated rooms, set them up and create a room inventory list. Appropriate tools should be available on site for inventory purposes.

New construction continued...

- Consideration should be given to having as much property as practical be delivered pre-assembled. This will reduce the number of District staff assigned for this task.
- No deliveries should be accepted outside of pre-designated delivery times outlined on the purchase order.
- The ICD should make sure **the cost center receiving the property** completes and submits a Property Received form to Property Management.

Wrap Up

- Review
- Questions?