



# Huntington Beach Union High School District Board Policies and Administrative Regulations

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## Business and Non-Instructional Operations

### Inventory of Equipment/Fixed Assets

In order to provide for the proper tracking and control of district property, the Superintendent or designee shall maintain an inventory of equipment in accordance with law for the following:

1. All equipment items currently valued in excess of \$500 (Education Code 35168)
2. All equipment items purchased with state and/or federal categorical funds that have a useful life of more than one year with an acquisition cost of \$500 or more per unit

Federal rules define equipment as "tangible personal property having a useful life of more than one year and an acquisition cost of \$ 5,000 or more per unit." This level shall be the capitalization threshold, the level above which inventoried items will be depreciated.

In addition, the Superintendent or designee may maintain a list of specific items which shall be inventoried for internal control purposes regardless of their initial cost or current value.

The inventory shall contain a record of the following information: (Education Code 35168; 5 CCR 3946)

1. Name and description of the property
2. Identification number
3. Original cost of the item of equipment or a reasonable estimate if the original cost is unknown
4. Date of acquisition
5. Location of use
6. The date and method of disposal

In addition to the information specified in items #1-6 above, the following information shall be recorded for equipment acquired with state and/or federal categorical funds unless otherwise specified in law: (5 CCR 3946; 2 CFR 200.313)

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1. Source of the property (funding source)
2. Titleholder
3. Percentage of federal participation in the cost of the property
4. Use and condition of property
5. Sale price of the property upon disposition and method used to determine current fair market value

At the time of purchase, the Superintendent or designee shall affix a label to the equipment containing the identification number and the district name. Equipment items purchased with categorical program funds shall also be labeled with the name of the project in accordance with 5 CCR 3946.

Whenever an equipment item is moved to a new location or the equipment is used for a new purpose, the new location or purpose shall be recorded in the inventory.

A copy of the inventory shall be kept at the district office and at the appropriate school site.

The Superintendent or designee shall annually submit an inventory listing of federally owned property in its custody to the federal agency that granted the award. (2 CFR 200.312)

Physical Inventory

At least once every two years, a physical inventory of equipment shall be conducted and the results reconciled with the property records. (2 CFR 200.313)

The Superintendent or designee shall establish procedures for conducting the physical inventory which shall include, but not be limited to, designation of person(s) responsible for coordinating and conducting the inventory, preparation and distribution of count sheets, procedures for implementing the inventory, and procedures for conducting a recount to substantiate the validity of the inventory. The Superintendent or designee shall investigate any differences between the quantities determined by the physical inspection and those in the accounting records.

References:

California Education Code 35168 Inventory of equipment  
California Code of Regulations, Title 5, Sections 3946 Control, safeguards, disposal of equipment purchased with consolidated application funds, 16022-16023 Classification of records, 16035 Historical inventory of equipment  
United States Code, Title 20, 2301-2414 Strengthening Career and Technical Education

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for the 21st Century Act

Code Of Federal Regulations, Title 2, 200.0-200.521 Federal uniform grant guidance

Management Resources:

California Department of Education Publications

California School Accounting Manual

California Association of School Business Officials: <http://www.casbo.org>

California Department of Education: <http://www.cde.ca.gov>

School Services of California, Inc.: <http://www.sscal.com>

Office of Management and Budget: <https://www.whitehouse.gov/omb>

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