



LOS ANGELES UNIFIED SCHOOL DISTRICT POLICY BULLETIN

TITLE: Inventory Requirements for Equipment Purchased with Categorical Program Funds

NUMBER: BUL-3508.6

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Federal and State Education Programs Branch

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ROUTING
 All Schools and Offices
 ESC Superintendents
 ESC Instructional Directors
 ESC Operations Coordinators
 Categorical Program Coordinators
 Principals
 Title I Coordinators
 School Administrative Assistants

POLICY: This Policy Bulletin outlines federal and state guidelines for requiring an inventory for equipment purchased with categorical funds at school sites and offices, including equipment previously purchased through the Imprest fund or with the Procurement Card (P-Card). P-Card and Imprest purchases are not allowable with Title I funds. The equipment must be maintained and readily available for examination. Equipment inventories are subject to review at any time by federal and state auditors for equipment costing a total of \$500 or more.

MAJOR CHANGES: This revision replaces Bulletin Number BUL-3508.5 issued on October 8, 2012, from the Intensive Support and Intervention Division. It has been updated to provide guidance for completing the revised Categorical Equipment Inventory(CEI) (Attachment B), guidance on bulk purchases of \$5000 or more, guidance on the length of time equipment must be maintained on the inventory and guidance on the removal of Title I equipment from schools exiting the Title I program. Beginning July 1, 2015, the determination of cost per equipment (including General Supplies, Technology) will include taxes, shipping and other ancillary charges.

GUIDELINES: I. The following guidelines apply:

- General Supplies, Technology is equipment costing less than \$500.
- Non-capitalized Equipment is equipment costing \$500 or more but less than \$5,000.
- Capitalized equipment is equipment costing \$5,000 or more and includes bulk (5 or more) purchases of equipment costing less than \$500 per item but totaling \$5,000 or more. A “bulk purchase” is defined as an acquisition of 5 or more units of the same identical item (using a single requisition) that will be housed in a single location and/or serve a single objective. Please refer to Bulletin BUL-1158.1.
- Each piece of categorically-funded equipment costing \$500 (including tax, shipping and other ancillary charges) or more **must** be correctly labeled and inventoried.
- The CEI should be available for examination and will be reviewed annually for compliance. The data on this form should be verified at the beginning and at the end of each school year.
- Schools must maintain a historical inventory record for each piece of



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categorically-funded equipment costing \$500 or more. Equipment can be removed from the inventory one year after it has been transferred to salvage or reported as lost or stolen and its disposition indicated on the CEI; otherwise the equipment should remain on the inventory as long as the equipment is in use.

- A log with the police report number for any and all equipment that may have been stolen or lost must be maintained. The police report number must be indicated in the Disposition column on the CEI (Attachment B).
 - A file of requisitions, purchase orders, invoices and all related documentation for all equipment purchases must be maintained for five years.
 - All equipment purchased must be justified in the *Single Plan for Student Achievement* (SPSA) and referenced on the appropriate Budget Justification page. The justification should make clear how the equipment supports the instructional program and how students will benefit from its use. The SPSA pages must be available upon request.
 - Equipment purchased for the classroom should be funded as *direct services* to students. Equipment purchased for non-classroom use should be funded as *indirect services*.
 - It is recommended that “small and attractive” equipment items, such as laptops, tablets, hand-held devices, e-readers, projectors (overhead or LCD), printers, graphing calculators, document readers, chrome books, etc., that have a cost of less than \$500 (including tax, shipping and other ancillary charges), be labeled and inventoried as well. Commitment code 430001 (General Supplies-Technology) should be used when purchasing equipment costing less than \$500.
- II.** State and federal guidelines require procedures for the disposition of property that is no longer needed. For questions regarding the disposal of unneeded items, contact Federal and State Education Programs Branch (FSEP) for Title I programs, Office of Multilingual and Multicultural Education for EIA-LEP program, and School Improvement Grant Office for SIG.
- III.** Procedures for completing attachments
- A. Attachment A - Equipment Labels
- Check the appropriate program box (Perkins, SIG, Title I, Other)
 - Identify the serial number for each equipment item. Note that file cabinets, tables, chairs, and other types of furniture do not have serial numbers. For items with no serial numbers, assign a unique identification number per item. Before purchasing these items, please check with the appropriate education service center (ESC) staff regarding allowability.
 - Obtain labels from your ESC Title I coordinator or from the Federal and State Education Programs Branch.
- B. Attachment B - Categorical Equipment Inventory (CEI) form
- Access the Categorical Equipment Inventory spreadsheet form on the FSEP website at <http://fsep.lausd.net> .
 - E-mail the spreadsheet (Attachment B) in excel format to FSEP@lausd.net



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after all equipment has been received for the current school year. Keep one copy on file at the school site.

Section I – Categorical Equipment Inventory Physical Check

- A physical check of the equipment inventory must be, at a minimum, conducted every two years, and the results of the physical check must reconcile with the inventory records in Section III.
- Schools new to Title I should complete a physical check in the second year of operation.
- The school must identify staff to conduct the physical check at school sites.
- ESCs and central offices should identify staff to conduct physical checks at their location.
- In order to be in compliance for a physical check, the check must be conducted and dated during the current school year.
- During the physical check process, schools must verify whether equipment was or was not purchased after the last physical check.

Section II – Did Not Purchase Equipment Log

(Previously called Principal Certification Letter)

- This section is used by a school or office that did not purchase any equipment with categorical funds in the current school year.

Section III – Categorical Equipment Inventory Database

- In this section, add newly purchased equipment items with a total final cost of \$500 or more to the school's historical Categorical Equipment Inventory database. This includes bulk purchases of equipment costing less than \$500 per item but totaling \$5,000 or more (e.g. classroom set of iPads).
- Schools must maintain records of any disposed equipment on the equipment inventory database with an explanation regarding its disposition (i.e., salvaged, stolen, transferred, unusable). If sold, include sale price and method for determining current fair market value.
- Any equipment that is disposed of can be removed from the database after one year.

C. Attachment C - Disposal of Equipment Form

- Use the Disposal of Equipment Form for categorically funded equipment with a disposition status of salvaged or stolen. This form should be completed for equipment with a total cost of \$500 or more.
- Access the Disposal of Equipment Form on the FSEP website at <http://fsep.lausd.net>.
- Complete the required information on the form. Obtain the principal's or program supervisor's signature on the required certification line. Forward a copy to Federal and State Education Programs, Beaudry Building, 16th Floor. Maintain one copy at the school site or office.

IV. Single Plan for Student Achievement (SPSA) Title I Update for Equipment and



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General Supplies, Technology

- Complete the SPSA Update page when funds have been budgeted for equipment costing \$500 or more per item. Access the page on the FSEP website at <http://fsep.lausd.net>.
- Submit the original copy of the SPSA Title I Update for Equipment and General Supplies, Technology with the Manual Budget Adjustment Request form and the equipment quote to the ESC office.

V. Timetable for Inventorying Equipment

- Equipment must be labeled and added to the inventory at the time the item is delivered to the school or office.
- The school should verify the accuracy of inventory records at the beginning and end of the school year. Refer to Bulletin Number **BUL-953: CONTROL OF SITE EQUIPMENT**.

VI. Deadline for the Purchase of Equipment

The deadline for purchasing equipment with categorical funds is April 15 or an earlier date that may be established by the Procurement Services Division. Prior to June 30 (or the last business day of the fiscal year), schools should process on-line receivers upon receipt of the equipment. The expenditures will be charged to the next fiscal year if the on-line receiver is processed in BTS after June 30.

VII. Schools Exiting Title I

Schools that have purchased Title I-funded equipment and subsequently close, convert to an independent charter school, or no longer receive Title I funds will have to return the equipment to FSEP staff so that it can be relocated for other appropriate Title I use.

AUTHORITY: This is federal and state policy for equipment with an acquisition cost of \$500 or more that is purchased with categorical funds.

RELATED RESOURCES: Bulletin Number BUL-953.1: Control of Site Equipment, September 1, 2010
Bulletin Number BUL-1158.1: Accounting for Supplies and Equipment Purchases, September 24, 2013

ASSISTANCE: For assistance or further information, please contact the appropriate program staff in your educational service center or Karen Ryback, Executive Director, Federal and State Education Programs Branch at (213) 241-6990; Hilda Maldonado, Executive Director, Office of Multilingual and Multicultural Education at (213) 241-5582; or Nader Delnavaz, Administrative Coordinator, School Improvement Grant Office at (213) 241-0357.

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Federal and State Education Programs

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ATTACHMENT A

Instructions for Completing Equipment Label

1. Complete a label for each item of equipment purchased with categorical funds.
2. This label must be affixed to the equipment item.
3. The following is an explanation of the informational items:

Funding Source: Indicate the funding source used to purchase the item of equipment.

School: Indicate the name of the school.

Delivery or Purchase Date and Delivery Date: Record the dates the equipment was purchased and delivered to the school.

Serial Number: Ensure the accuracy of the serial number recorded on the label. The serial number is vital for identifying lost or stolen property. For equipment with no serial numbers, please assign a unique identification number per equipment.

Date of Salvage Date: Record the date the equipment was sent to salvage because it was worn or obsolete. Contact the Salvage Warehouse at (213) 745-5910 if there are questions.

Sample of Completed Equipment Label

LOS ANGELES UNIFIED SCHOOL DISTRICT			
PROPERTY OF FEDERALLY FUNDED PROGRAMS			
<input type="checkbox"/> PERKINS	<input type="checkbox"/> SIG	<input checked="" type="checkbox"/> TITLE I	OTHER <input type="text"/>
SCHOOL FANTASTIC SCHOOL			
PURCHASE DATE 1/8/2014		DELIVERY DATE 1/29/2014	
SERIAL NO. 622494		SALVAGE DATE <input type="text"/>	

