

INTERNAL AUDIT REPORT

**Property and Inventory Audits of Selected Locations
2017- 2018**



To be presented to the:

**Audit Committee on
February 1, 2018**

and

**The School Board of Broward County, Florida on
March 6, 2018**

By

The Office of the Chief Auditor



The School Board of Broward County, Florida

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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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Office of the Chief Auditor
Ann Conway, Task-Assigned Chief Auditor
www.browardschools.com

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Robert W. Runcie,
Superintendent of Schools

January 26, 2018

Members of The School Board of Broward County, Florida
Members of The School Board Audit Committee
Robert W. Runcie, Superintendent of Schools

Ladies and Gentlemen:

We have performed a Review of the Property and Inventory of selected locations, pursuant to The Rules of the Florida Administrative Code, Section 69I-73, and School Board Policy 1002.1.

Audits of Property and Inventory require that we account for all of the property and inventory charged to the locations. In order to complete this task, we have reviewed all property and inventory records disclosed from District accounts and made a determination as to the status of each item. This disposition may include:

items which are at the location and are accounted for,
items which were not available for review prior to the issuance of this report,
items which may have been stolen and are supported by the proper District forms,
items that have been transferred from one location to another and are supported by the proper District forms,
items which have been declared surplus or obsolete and are supported by the proper District forms and,
items which have been purchased and are verified to be in compliance with appropriate purchasing guidelines.

We conducted our audits in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

This report contains twenty-seven (27) property and inventory audits. Our property audits indicated that twenty-four (24) locations in the report complied with prescribed policies and procedures. Three (3) locations contained some audit exceptions consisting of unaccounted for property and the failure to follow some prescribed rules.

We wish to express our appreciation to the administration and staff of the various schools and departments for their cooperation and courtesies extended during our audits.

Sincerely,

Ann Conway, CPA
Task-Assigned Chief Auditor

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PROPERTY AUDIT REPORT

AUTHORIZATION

The Rules of the Florida Administrative Code, Section 69I-73, require that each custodian shall ensure that a complete physical inventory of all property is taken at least once each fiscal year. Each custodian shall ensure that a complete physical inventory of all property under the control of the custodian or custodian's delegate is taken whenever there is a change of custodian or custodian's delegate. In accordance with School Board Policy 1002.1 and the Audit Plan for The Office of the Chief Auditor, the inventories of the locations in the District that have been audited are presented in Section I of this report. School Board Policy 3204 – Property Accountability and Responsibility states, “The Board designates that Principals shall be the custodians of property at schools. Directors shall be the custodians of property for the County Support Services Departments.” Rule 1 states “**All physical inventories shall be conducted by the Office of the Chief Auditor’s Property Audits Division.**”

SCOPE, OBJECTIVES AND METHODOLOGY

An audit includes examining evidence supporting the amounts and disclosures represented on property records. We have reviewed all property and inventory records disclosed from District accounts and made a determination as to the status of each of the items. This disposition may include:

- items which are at the location and are accounted for,
- items which were not available for review prior to the issuance of this report,
- items which may have been stolen and are supported by the proper documentation and District forms,
- items that have been transferred from one location to another and are supported by the proper District forms,
- items which have been declared surplus or obsolete and are supported by the proper District forms.
- items which have been purchased and are verified to be in compliance with appropriate purchasing guidelines.

Compliance

We tested compliance with policies and procedures prescribed by School Board Policies and Business Practice Bulletin O-100: Procedure for Property & Inventory Control. The results of our tests of compliance indicated some locations did not comply with some policies and procedures established in the sources identified above.

Property Control Structure

In planning and performing our examinations, we obtain an understanding of the:

- internal property control procedure established by the administration.
- Assessed level of controlled risk to determine the nature, timing, and extent of substantive tests for compliance with applicable laws, administrative rules and district policies; including the safeguarding of assets.

A material weakness is a reportable condition in which the design or operation of one or more internal property control structure elements does not reduce the risk of material errors or irregularities from occurring. As a result, it would be extremely difficult for employees to recognize errors in the normal course of performing their assigned functions.

Our evaluation of the internal control structure does not necessarily disclose all matters that might be reportable conditions. Thus, all material weaknesses may not be identified.

Property Audit Exceptions

In order to establish reporting parameters and afford the locations some latitude in monitoring their assets, we set thresholds of approximately one (1) percent of the total property inventory historical cost. The Office of the Chief Auditor (OCA) has used the following table, provided by the Director of Accounting & Financial Reporting Department-Capital Assets (AFRD-CA), to determine the total accumulated depreciation of assets which have not been accounted for.

● Computers, Printers	5 Years
● Band Instruments	7 Years
● Office Equipment	5 – 20 Years
● Audio/Visual Equipment	6 – 8 Years
● Vocational Equipment	7 – 20 Years
● Other	From 5 to 20 Years

The Office of the Chief Auditor reports no property exceptions for locations with an aggregate historical value, of items unaccounted for, falling below the designated 1% threshold unless significant process control weaknesses have been identified. As of July 1, 2004, Florida State Statute 274.02, changed the value of capital assets to be recorded and monitored from \$750 to \$1,000. On June 22, 2017, the Office of the Chief Financial Officer released a revision to Business Practice Bulletin O-100 Procedures for Property & Inventory Control. The revision included tracking tangible personal property valued at \$1,000 or more and trackable SMART tangible personal property that has an acquisition value less than \$1,000, is considered high risk and prone to theft and has at least one year useful life and is not consumable in nature. In addition, any tangible personal property identified during the audit that has not yet been added to the District's Master File database is categorized as a New/Found item. If the New/Found item has an acquisition cost of \$1,000 or more, the location must process all necessary paperwork and forward it to AFRD-CA to have the item(s) added to the District's Master File database. If the equipment is certified by the OCA to have an acquisition cost less than \$1,000, the location(s) does not have to submit the supporting paperwork to AFRD-CA; however, the item(s) will be included in all future audits until it is deemed obsolete and surplus and/or transferred to a different location. The District administration requires follow-up verification of all items not accounted for during the physical audit. Subsequently, location administrators must provide a memo identifying the items found by providing the room/FISH number and/or demonstrate the appropriate District approved form(s).

Unaccounted / Found Items

While conducting the audit, there are instances in which items are determined to be unaccounted for. Unaccounted for means property held by a custodian, subject to the accountability provisions of Section 274.03, F.S., which cannot be physically located by the custodian or custodian delegate, which property has not been otherwise lawfully disposed of. When the Office of the Chief Auditor determines that the item(s) is not accounted for, the asset is moved to an Unaccounted for Tangible Personal Property List. This item will remain designated on the Unaccounted for until the item is located and reactivated by Accounting & Financial Reporting Department-Capital Assets (AFRD-CA). If the item is not reactivated after two years, the item(s) is removed from the location's active list of property records.

In addition to having items which are not accounted for, the Office of the Chief Auditor issues a final audit report to the property custodian, identifying the final discrepancy list as well as outlining any material weaknesses associated with the location's inventory control. A copy of the final discrepancy report will be forwarded to AFRD-CA in order to amend the property records as deemed appropriate. For any new/found tangible personal property listed on the final audit discrepancy report with a historical cost/estimated value of \$1,000 or more, the location must forward a **03290** Equipment Acquisition form signed by the property custodian with invoices or supported estimated values authorizing AFRD-CA to add these property items to the Master File of Capital Assets database.

Summary of Property and Inventory Review for Fiscal Year 2017-18

The following report discloses the audit results for 20 schools and 7 departments. These audits were finalized between November 8, 2017 and February 19, 2018. A summary of this report notes that:

- For the 27 locations, items were listed in the property records at a historical cost of \$43,010,313.
- For the 27 locations included in this report, 113 items were considered unaccounted for and had a historical cost of \$176,829.

SECTION I: Summary
Property and Inventory Audits Performed

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Audits

The following table presents a summary of the property and inventory audits that were finalized during the period November 8, 2017 through February 19, 2018. For any location that received an exception, we have included a detailed listing of the items that were unaccounted for and the administration's response.

Area	Name	Total Items	Historical Cost	Items Unaccounted For (INAF)	Historical Cost (INAF)	No Exception/Exception	Page No.
School	Atlantic West Elementary	632	\$557,096	0	0	No Exception	
School	Bennett Elementary	380	\$381,707	1	\$2,695	No Exception	
School	Broadview Elementary	952	\$731,372	6	\$7,237	No Exception	
School	Coconut Palm Elementary	661	\$785,167	4	\$6,079	No Exception	
School	Collins Elementary	353	\$316,193	0	0	No Exception	
School	Cresthaven Elementary	1,023	\$479,381	10	\$1,629	No Exception	
School	Croissant Park Elementary	948	\$534,593	6	\$8,550	Exception	11-19
School	Fox Trail Elementary	1,235	\$960,649	3	\$5,470	No Exception	
School	Morrow Elementary	469	\$408,736	0	0	No Exception	
School	North Andrews Gardens	845	\$882,215	0	0	No Exception	
School	Pembroke Lakes Elementary	551	\$545,282	0	0	No Exception	
Sub Total		8,049,733,1817	\$6,582,391	30	\$31,660		

Area	Name	Total Items	Historical Cost	Items Unaccounted For (INAF)	Historical Cost (INAF)	No Exception/ Exception	Page No.
School	Pembroke Pines Elementary	733	\$549,632	2	\$2,486	No Exception	
School	Sanders Park Elementary	598	\$506,259	2	\$1,352	No Exception	
School	Pines Middle	1,304	\$1,268,723	0	0	No Exception	
School	William Dandy Middle	970	\$881,192	2	\$1,258	No Exception	
School	Cypress Bay High	4,183	\$4,886,631	26	\$43,068	No Exception	
School	Hallandale High	1,677	\$1,607,086	2	\$2,029	No Exception	
School	The Quest Center	358	\$570,666	1	\$1,300	No Exception	
School	McFatter Technical College	2,875	\$5,701,895	26	\$40,983	No Exception	
School	McFatter – Broward Fire Academy	240	\$1,121,393	0	0	No Exception	
Department	Energy Conservation & Utility	52	\$541,162	1	\$2,799	No Exception	
Department	Exceptional Student Learning Support	915	\$2,653,196	10	\$24,644	No Exception	
Department	Facilities Design & Construction	149	\$267,308	1	\$1,255	No Exception	
Sub Total		14,054	\$20,555,143	73	\$121,174		

Area	Name	Total Items	Historical Cost	Items Unaccounted For (INAF)	Historical Cost (INAF)	No Exception/ Exception	Page No.
Department	Chief Information Officer – Information & Technology	1,817	\$14,899,480	5	\$13,143	No Exception	
Department	Head Start/Early Intervention Services	287	\$541,132	2	\$3,797	No Exception	
Department	Risk Management	112	\$315,276	1	\$3,595	Exception	20-23
Department	Student Services	117	\$116,891	2	\$3,460	Exception	24-27
Sub Total		2,333	\$15,872,779	10	\$23,995		
Grand Total		24,436	\$43,005,352	113	\$176,829	24 No Exceptions 3 Exceptions	

Audits Performed by:

**Bryan Erhard
Thomas Martens
Arsenio Mobley
Bruce Norris
Stephanie Ormsby
Jonathan Tolentino**

Audits Processed by:

Megan Gonzalez

Audits Managed by:

Ali Arcese

SECTION II: Summary Detail
Property and Inventory Audits-Exceptions Only

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Division
2017-2018

Croissant Park Elementary 0221
Tangible Personal Property Unaccounted For

Finding 1: Missing Equipment

Area out of compliance

BPB O-100: Procedure for Property and Inventory Control

General: Property custodian must take appropriate precautions to safeguard and track all tangible personal property.

BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST	ALLOWABLE DEPRECIATION ^[1]	VALUE	MANAGEMENT RESPONSE
1 R12-81546	APPLE MACBOOK 13"	\$ 1,500.00	\$ 1,500.00	\$ -	UNRESOLVED
2 09-08066	APPLE MACBOOK 2.0GHZ CD	\$ 1,538.00	\$ 1,538.00	\$ -	UNRESOLVED
3 05-83949	APPLE IBOOK G4 12"	\$ 1,416.93	\$ 1,416.93	\$ -	UNRESOLVED
4 05-40401	APPLE IBOOK G4 W/CD	\$ 1,456.50	\$ 1,456.50	\$ -	UNRESOLVED
5 A03-84366	APPLE DESKTOP EMAC G4	\$ 1,195.25	\$ 1,195.25	\$ -	UNRESOLVED
6 R02-83468	IMAC APPLE COMPUTER	\$ 1,443.00	\$ 1,443.00	\$ -	NONE PROVIDED

Total Historical Cost of Property unaccounted for as of August 31, 2017 \$ 8,549.68
^[1]Total Accumulated Depreciation as of August 31, 2017 \$ 8,549.68
Net Value of Property considered unaccounted for as of August 31, 2017 \$ -

[1] Based upon class life used by the Accounting and Financial Reporting Department

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Division
2017-2018

Risk Management Department 9711
Tangible Personal Property Unaccounted For

Finding 1: Missing Equipment

Area out of compliance

BPB O-100: Procedure for Property and Inventory Control

General: Property custodian must take appropriate precautions to safeguard and track all tangible personal property.

BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST	ALLOWABLE DEPRECIATION ^[1]	VALUE	MANAGEMENT RESPONSE
107-04472	MOTOROLA XTS5000 PORTABLE	\$ 3,594.50	\$ 3,594.50	\$ -	Missing

Total Historical Cost of Property unaccounted for as of October 16, 2017 \$ 3,594.50

^[1]Total Accumulated Depreciation as of October 16, 2017 \$ 3,594.50

Net Value of Property considered to be unaccounted for as of October 16, 2017 \$ -

[1] Based upon class life used by the Accounting and Financial Reporting Department

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Division
2017-2018

Student Services Department 9805
Tangible Personal Property Unaccounted For

Finding 1: Missing Equipment

Area out of compliance

BPB O-100: Procedure for Property and Inventory Control

(1) General: Property custodian must take appropriate precautions to safeguard and track all tangible personal property.

(2) In the event of theft or vandalism, the property custodian will report the loss to the Broward District Schools Police Department (BDSPD) and the local authorities at the time of the incident. As a component of the police report and the BDSPD's Immediate Notification Form (See Exhibit 6), the location must provide all applicable property and serial numbers of the stolen tangible personal property along with a narrative of the event. This should be completed within 2 business days from when the incident is known or should have been known.

BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST	ALLOWABLE DEPRECIATION ^[1]	VALUE	MANAGEMENT RESPONSE
1 11-02390	APPLE MACBOOK PRO 13"	\$ 1,511.75	\$ 1,511.75	\$ -	Missing
2 05-21377	PROJECTOR, ULTRA LIGHT	\$ 1,948.00	\$ 1,948.00	\$ -	Missing

Total Historical Cost of Property unaccounted for as of October 26, 2017 \$ 3,459.75

^[1]Total Accumulated Depreciation as of October 26, 2017 \$ 3,459.75

Net Value of Property considered to be unaccounted for as of October 26, 2017 \$ -

[1] Based upon class life used by the Accounting and Financial Reporting Department

SECTION III:
Locations – All Items Accounted for

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Audits

During the property audit at the following locations, all assets were reconciled.

LOCATION NAME

Atlantic West Elementary

Collins Elementary

Morrow Elementary

North Andrews Elementary

Pembroke Lakes Elementary

Pines Middle

McFatter – Broward Fire Academy

SECTION IV:
Locations with Exceptions

School Name: Croissant Park Elementary 0221

New Principal: Michelle-Anne Allison

Address: 1800 SW 4th Avenue
Fort Lauderdale, FL 33315

Total Number of Items in Inventory:	948
Total Dollar Cost of Items in Inventory:	\$534,593
Total Number of Items Unaccounted for:	6
Total Dollar Cost of Items Unaccounted for:	\$8,550
Total Net Value of Items Unaccounted for:	\$0
Percentage of Dollar Cost of Items Unaccounted for:	1.6%

Finding

As a result of the property and inventory audit conducted at Croissant Park Elementary School, it was determined that some controls over inventory and fixed assets were not in compliance with the District's policies and procedures.

A review of all property and inventory was performed. Of the 948 assets recorded at the school, 6 items were unaccounted for. The school was unable to locate the equipment during the property and inventory audit. The equipment is unaccounted for.

The school should conduct semi-annual inventories to ensure the District's property records are accurately maintained and updated. This includes high-risk property items maintained within the secondary database established by the location. The school displayed internal control weaknesses in safeguarding tangible personal property. Non-compliance with policies and procedures for fixed assets leaves the District vulnerable to undetected employee errors and theft or misuse of assets.

Recommendations

The Office of the Chief Auditor suggests reconciliation of all assets be completed as often as needed to ensure an accurate physical accounting of site designated assets by the staff. The new Principal should ensure that a semi-annual inventory is performed of all assets in order to comply with policies and procedures.

The Office of the Chief Auditor recommends the new Principal register the designated property team member(s) for the Inventory Process & Tips training offered by the Information & Technology Department. In addition, the new Principal should review Business Practice Bulletin O-100: Procedure for Property and Inventory Control with the designated property team member(s) to ensure compliance with all procedures. The following internal control areas require improvement.

- The location must take appropriate measures to ensure the safekeeping of all tangible personal property.
- At a minimum, semi-annual inventories should be conducted to certify the District's property records are accurately maintained and updated. This should include the high-risk property items that are not included in the Master File database.
- Any corrections required to asset record(s) should be promptly reported to AFRD-CA. The property custodian should immediately notify AFRD-CA if any discrepancies are noted, so they can be corrected in a timely manner.

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
OFFICE OF SCHOOL PERFORMANCE & ACCOUNTABILITY**

**VALERIE S. WANZA, Ph.D.
CHIEF OFFICER**

Phone: 754-321-3838

Facsimile: 754-321-3886

January 16, 2018

TO: Ann Conway
Task Assigned, Chief Auditor

FROM: Valerie S. Wanza, Ph.D. *JSW/AB*
Chief School Performance & Accountability Officer

SUBJECT: **PROPERTY AND INVENTORY AUDIT RESPONSE –
CROISSANT PARK ELEMENTARY SCHOOL**

This correspondence acknowledges receipt and review of the findings from the FY 2016-17 property and inventory audit for Croissant Park Elementary School. In addition to the corrective measures that the principal is instituting, the Office of School Performance & Accountability will provide the following support and oversight in assisting the school in this area:

- The cadre director will work with the principal to ensure the individuals who have been identified by the principal to assist with asset management receive the proper training in this area.
- The cadre director will work with the principal to establish, execute, and monitor property and inventory controls that are consistent with District policies and business practice bulletins in this area.
- The cadre director will review the school's progress in this area during his regularly scheduled school visits.
- Another school that has demonstrated accuracy and efficiency in this area will be identified to work with this principal to share best practices in asset management.
- The principal will submit semi-annual property and inventory audit report to the Office of School Performance & Accountability through the OSPA Central database. Additionally, all discrepancies will be reported in writing to Capital Assets and the Office of the Chief Auditor.
- The principal will review the Business Practice Bulletin O-100 Procedures for Property and Inventory Control to ensure compliance with all procedures. The Business Practice Bulletin will be discussed and reviewed with all members of the Property and Inventory Team to ensure the surplus of equipment is documented and all procedures followed.

The Office of School Performance & Accountability recognizes the seriousness of this matter. We will work to ensure that this school develops, implements and monitors sound business practices that should prevent further occurrences of this nature. If I may be of additional assistance, please contact me at 754-321-3838.

VSW/AS/MSS:ldd

cc: Dr. Mark S. Strauss, Director, School Performance & Accountability
Michelle Allison, Principal, Croissant Park Elementary School



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Croissant Park Elementary
Michelle-Anne Allison
1800 SW 4th Avenue
Ft. Lauderdale, FL 33315
754-323-5300
754-323-5340 Fax
Croissantpark@browardschools.com

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Broward County, Florida
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Superintendent of Schools

To: Dr. Valerie Wanza,
Chief School Performance & Accountability Officer

From: Michelle-Anne Allison, *M. Allison*
Principal, Croissant Park Elementary

Subject: 2016 -17 Audit Report of Property Inventory – Croissant Park Elementary School 0221

Below you will find the corrective action plan implemented at Croissant Park Elementary in light of missing inventory reported (memo dated 10/24/2017). During the 2016-2017 school year, I hired a Micro-Tech to replace the retired teacher who had previously been responsible for updating and monitoring the inventory. The following items were listed on our 2016-2017 audit report:

R12-81546	APPLE MACBOOK 13"	\$	1,500.00
09-08066	APPLE MACBOOK 2.0GHZ CD	\$	1,538.00
05-83949	APPLE IBOOK G4 12"	\$	1,416.93
05-40401	APPLE IBOOK G4 W/CD	\$	1,456.50
A03-84366	APPLE DESKTOP EMAC G4	\$	1,195.25
R02-83468	IMAC APPLE COMPUTER	\$	1,443.00

It has been identified that four of these items (#1-4) were collected at the end of year for BStock and were placed in Rm 108 for storage. Item #5 (2003 computer) was stored in a separate area, also to be BStocked. Item #6 (2002 computer) was not listed on previous year's 2015-16 May PNI report and now reappears (see attached artifact #1). My binder reflects the past seven years of activity and cannot account for its reappearance on the list. A Capital Asset Form was completed to reflect loss.

The following corrective actions are being implemented at Croissant Park Elementary:

Action Plan	Date to be completed/monitoring
<ul style="list-style-type: none"> Micro-Tech will attend all trainings provided by the TLC department. 	Monthly and as offered
<ul style="list-style-type: none"> Micro-Tech will maintain high-risk property items within a secondary database established by the school. 	Monthly and each time inventory is acquired or removed



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

The School Board of
Broward County, Florida

<ul style="list-style-type: none"> Principal discussed accountability of inventory with staff. Staff members were reminded that tangible property is not to be moved without administrative authorization. 	August 2017 November 2017 January 2018
<ul style="list-style-type: none"> Inventory Team ensures lists are posted in classrooms/offices 	September 2017 and ongoing
<ul style="list-style-type: none"> Generate PNI Report and reconcile to ensure changes are reflected 	Monthly and each time inventory is acquired or removed
<ul style="list-style-type: none"> Principal will review the ongoing accuracy of the Inventory documentation 	Quarterly
<ul style="list-style-type: none"> Team Leader conducts quarterly checks of assigned classrooms to reconcile actual inventory 	Quarterly
<ul style="list-style-type: none"> Inventory Team to conduct a school-wide comprehensive review of all listed inventory 	Quarterly
<ul style="list-style-type: none"> Items designated for BStock will be placed on the form prior to being stored in the locked storage room. 	As needed
<ul style="list-style-type: none"> All items designated for BStock will be housed in a locked storage room. 	As needed
<ul style="list-style-type: none"> Actual transfer of items to BStock will be observed by Administration and will be reconciled against completed documentation. 	As needed

It is my responsibility to ensure that all items at Croissant Park Elementary School are accounted for and proper documentation of removal of items from the school is done systemically with follow-up procedures in place.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
The Office of the Chief Auditor
Property Division
2017-2018

Items not accounted for: Crossiant Park Elementary 0221

BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST
1 R12-81546	APPLE MACBOOK 13"	\$ 1,500.00
2 09-08066	APPLE MACBOOK 2.0GHZ CD	\$ 1,538.00
3 05-83949	APPLE IBOOK G4 12"	\$ 1,416.93
4 05-40401	APPLE IBOOK G4 W/CD	\$ 1,456.50
5 A03-84366	APPLE DESKTOP EMAC G4	\$ 1,195.25
6 R02-83468	IMAC APPLE COMPUTER	\$ 1,443.00

was not 2015 May PNI → reappear

Total Historical Cost of Property unaccounted for as of August 31, 2017	\$ 8,549.68
⁽¹⁾ Total Accumulated Depreciation as of August 31, 2017	\$ 8,549.68
Net Value of Property considered to be unaccounted for as of August 31, 2017	\$ -

(1) Based upon class life used by the Accounting and Financial Reporting Department

The School Board of Brow County, Florida
 Capital Assets Activity Form
 Tangible Property Loss/Equipment Acquisition

Location Name and Number CROISSANT PARK ELEMENTARY 0221

Equipment Acquisition

for equipment valued at \$1,000 or more that is acquired with internal funds or by donation

Tangible Property Loss

Date of Loss _____

Acquisition Date (For acquisition only)	BPI Number (IF applicable)	Serial Number	Model Number	Equipment Description	Cost/Estim. Value	Room/Bldg
	05-83949	4H5101AAS87		APPLE, IBOOK G4 12"	1,416.93	
	R12-81546	45122FERF5W		APPLE MACBOOK 13"	1,500.00	
	09-08066	458461KX3VY		APPLE MACBOOK 2.0GHZ CD-RW/DVD 13.3"	1,538.00	
	05-40401	UV4510NPSCZ		APPLE, IBOOK G4 W/CD-RW/DVD/12.1" DISPLA	1,456.50	
	A03-84366	G83381QPNM1		APPLE DESKTOP EMAC G4	1,195.25	

Loss Acknowledged By: _____

Michelle Allio

Principal / Director

Name of Donor: _____

Donor Address: _____

Acquisition Approved By: _____

Principal / Director

Date

Loss: Submit to Capital Assets Accounting

NOTE: Attach copies of Police and SIU Immediate Notification Report

2015 PNI - Artifact #1

Item ID	Description	Quantity	Unit	Unit Price	Total Price	Order Date	Order Type	Order Status	Order Reference	Order Location	Order Contact
13-04801	APPLE MACBOOK PRO 15" 2.3GHZ DISPLAY	044	T	379860	05/22/2013	0221			C02K89FUDV33		
14-05234	LAPTOP CART - BLACK BOX CART 30 UNIT	044	T	462554	05/05/2014	0221			14045953889		
14-05235	LAPTOP CART - BLACK BOX CART 30 UNIT	044	T	462561	05/05/2014	C140			14045953792		0221
15-02597	PRINTER, LEMARK MK710DE B/W LASER/FAX/C	044	T	511576	12/05/2014	0221			74634799069M3		
15-03895	NOVA CHAT 5	044	T	527788	03/09/2015	C144			5-2N662		0221
15-04342	LAMINATOR, 27" ROLL - HEAT SEALED	046	T	534088	04/08/2015	0221			OMISSION		
15-04623	LAPTOP CART - EARTH WALK CART 30 USER	044	T	538433	04/28/2015	C146			52572		0221
88-27854	CAMCORDER PANASONIC AG160	010	G	16366	03/23/1988	0221			H7HU07521		Bstock
91-18330	COMPUTER ATARI MUSIC 1040ST W/MONO MONIT	044	G	671246	08/09/1950	0221			017273		B Stock
93-33122	COMPUTER, APPLE SE/30	044	T	015228	03/18/1992	0221			615713		B Stock
95-10139	PROJECTOR SHARP XG-11000U/CASE	055	G	057127	09/16/1992	0221			327081		B Stock
95-10139	CAMCORDER PANASONIC G455U PORTABLE S-VHS	010	G	243523	10/21/1994	0221			64H800461		B Stock
95-10140	CAMCORDER PANASONIC G455U PORTABLE S-VHS	010	G	243523	10/21/1994	0221			64H800461		B Stock
95-26657	SYNTHESIZER KEYBOARD YAMAHA SY35 K02 W/A	040	G	265196	02/03/1995	0221			G4H800455		B Stock
96-28680	CART GOLF/MODEL XT-500 EZ-GO ELEC 4 'WHEE	019	G	412908	09/06/1996	0221			KL01346		B Stock
97-23000	ORFF SET W/ROTO-TOMS 16" AND 14"	040	G	475922	06/13/1997	0221			440602		B Stock
97-55287	POSTERPRINTER, PRO XL-MAC, VAR10083	010	G	506951	11/05/1997	0221			02210002		Bstock
99-40050	COMPUTER, MAC IMAC	044	G	675106	09/28/1999	0221			61200389		Bstock
A02-83470	COMPUTER, MAC IMAC	044	T	044	06/30/2002	0221			122400		Bstock
A03-84361	APPLE DESKTOP EMAC G4	044	T	044	06/30/2003	0221			143836		Bstock
A03-84362	APPLE DESKTOP EMAC G4	044	T	044	06/30/2003	0221			119525		Bstock
A03-84363	APPLE DESKTOP EMAC G4	044	T	044	06/30/2003	0221			119525		Bstock
A03-84364	APPLE DESKTOP EMAC G4	044	T	044	06/30/2003	0221			119525		Bstock
A03-84365	APPLE DESKTOP EMAC G4	044	T	044	06/30/2003	0221			119525		Bstock
A03-84366	APPLE DESKTOP EMAC G4	044	T	044	06/30/2003	0221			119525		Bstock
A04-85963	APPLE DESKTOP EMAC G4 W/17" FLAT	044	T	044	06/30/2004	0221			139005		Bstock
A04-85964	APPLE DESKTOP EMAC G4 W/17" FLAT	044	T	044	06/30/2004	0221			139005		Bstock
A04-85965	APPLE DESKTOP EMAC G4 W/17" FLAT	044	T	044	06/30/2004	0221			139005		Bstock
A04-85966	APPLE DESKTOP EMAC G4 W/17" FLAT	044	T	044	06/30/2004	0221			139005		Bstock
A04-85967	APPLE DESKTOP EMAC G4 W/17" FLAT	044	T	044	06/30/2004	0221			139005		Bstock
A04-85968	APPLE DESKTOP EMAC G4 W/17" FLAT	044	T	044	06/30/2004	0221			139005		Bstock
A04-85969	APPLE DESKTOP EMAC G4 W/17" FLAT	044	T	044	06/30/2004	0221			139005		Bstock
A06-84749	DELL STAN COMPUTER SYSTEM	044	T	044	03/14/2006	0221			802LN91		Bstock
R02-83470	LEM-MARK TS20	044	T	044	09/06/2011	0221			C025272		Bstock
R12-81541	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45188M5F5W		Bstock
R12-81542	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81543	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81544	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81545	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81546	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81547	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81548	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81549	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81550	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81551	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81552	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81553	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81554	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81555	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81556	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81557	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R12-81558	APPLE MACBOOK 13"	044	T	044	09/06/2011	0221			45123PNEFSW		Bstock
R13-81314	LEXMARK T652	044	T	044	05/21/2013	0221			794XN33		Bstock
R15-80121	LEM-MARK MK710DF	044	T	044	10/01/2014	0221			7463479906FM3		Bstock
95-LAR0045	Apple Refresh Server	044	T	007005	07/22/2005	0221			0953207W5LZ		Bstock

Bstock LR-0301RW

add cur. #11
MS 1215

333

****Repeat Audit Exception**

Department Name: Risk Management 9711
Director: Aston Henry
Chief of Staff: Jeffrey Moquin
Address: 600 SE 3rd Avenue
Fort Lauderdale, FL 33301

Total Number of Items in Inventory: 112
Total Dollar Cost of Items in Inventory: \$315,276
Total Number of Items Unaccounted for: 1
Total Dollar Cost of Items Unaccounted for: \$3,595
Total Net Value of Items Unaccounted for: \$0
Percentage of Dollar Cost of Items Unaccounted for: 1.1%

Prior Audit			
Fiscal Year Audit	Total Assets Unaccounted for	Historical Value of Assets Unaccounted for	Status
2017	2	\$3,700	Exception Henry, A.

Finding

As a result of the property and inventory audit conducted at the departments listed above, it was determined that some controls over inventory and fixed assets were out of compliance with the District’s policies and procedures.

A review of all property and inventory was performed. Of the 112 assets recorded, one item was unaccounted for. The department was not able to find a Motorola radio and it is considered missing.

Non-compliance with policies and procedures for fixed assets leaves the District vulnerable to undetected employee errors and theft or misuse of assets. The department displayed weaknesses in the controls to safeguard fixed assets.

Recommendations

The Office of the Chief Auditor suggests reconciliation of all assets be completed as often as needed to ensure an accurate physical accounting of site designated assets by the staff. The Director should ensure the accounting of assets is completed semi-annually in order to comply with policies and procedures.

The Office of the Chief Auditor recommends the Director register the designated property team member(s) for the Inventory Process & Tips training offered by the Information & Technology Department. In addition, the Director should review Business Practice Bulletin O-100 Procedure for Property and Inventory Control with the designated property team member(s) to ensure compliance with all procedures. The following internal control areas require improvement.

- The location must take appropriate measures to ensure the safekeeping of all tangible personal property.

(Risk Management continued)

****Repeat Audit Exception**

- At a minimum, semi-annual inventories should be conducted to certify the District's property records are accurately maintained and updated. This should include the high-risk property items that are not included in the Master File database.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
JEFFREY S. MOQUIN
CHIEF OF STAFF

January 29, 2018

TO: Ali Arcese, Manager
Property & Inventory Audits

FROM: Jeffrey S. Moquin
Chief of Staff 

SUBJECT: **AUDIT REPORT – RISK MANAGEMENT DEPARTMENT**
FISCAL YEAR 2017- 2018

The audit response furnished by the Risk Management Department has been reviewed. The corrective steps on the attached memorandum are approved to be implemented to address the identified issues. Process and procedures for property control have been reviewed and upgraded.

As a result, the Risk Management Department has identified the following corrective action steps to be implemented to prevent any future loss of property assets:

- Risk Management plans to reconcile assets on a quarterly basis as well as at time of removal or acquisition of tangible personal property. They will ensure all assets are always accounted for.
- Risk Management is also removing old, unused and outdated equipment and sending same to B-Stock to be salvaged.

JSM/tpo
Attachment

c: Aston A. Henry, Director, Risk Management Department

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**ASTON A. HENRY, JR.
DIRECTOR**

Phone: 754-321-1900

DATE: November 9, 2017
TO: Jeffrey S. Moquin, Chief of Staff
FROM: Aston A. Henry, Jr., Director
Risk Management Department
SUBJECT: Response to Audit Report on Property Inventory
Fiscal Year 2017-18

The Risk Management Department has always strived to have all property accounted for during annual property inventory audits. Risk Management's Property Inventory Audit for Fiscal Year 2017-18 identified one piece of equipment as unaccounted for. The item in question is a radio that was used during Hurricane Matthew when I was at the Broward County Emergency Operations Center. Our belief is that this was placed on a table and possibly picked up by another person. We have searched extensively for the radio and it has not been found.

Risk Management plans to reconcile assets on a quarterly basis as well as at time of removal or acquisition of tangible personal property. This will ensure all assets are always accounted for.

In addition, we are also removing old, unused and outdated equipment and sending them to B-Stock to be salvaged. We are continually striving to have all inventory items accounted for

AAH:sb

****Repeat Audit Exception**

Department Name: Student Services 9805
Director: Laurel Thompson
Chief Academic Officer: Dan Gohl
Address: 1400 NW 14th Court
Fort Lauderdale, FL 33311

Total Number of Items in Inventory: 117
Total Dollar Cost of Items in Inventory: \$116,891
Total Number of Items Unaccounted for: 2
Total Dollar Cost of Items Unaccounted for: \$3,460
Total Net Value of Items Unaccounted for: \$0
Percentage of Dollar Cost of Items Unaccounted for: 3.0%

Prior Audit			
Fiscal Year Audit	Total Assets Unaccounted for	Historical Value of Assets Unaccounted for	Status
2016	3	\$4,194	Exception Thompson, L.

Finding

As a result of the property and inventory audit conducted at the department listed above, it was determined that some controls over inventory and fixed assets were out of compliance with the District's policies and procedures.

A review of all property and inventory was performed. Of the 117 assets recorded, two items were unaccounted for. During the audit, the department provided two police reports.

1. An Apple MacBook Pro, that was left in an unsecured room, was reported missing to the Fort Lauderdale Police Department (Case# 34-1612-187865). The department reported the laptop missing two months after it was discovered missing.
2. An Epson projector was reported lost to the Fort Lauderdale Police Department (Case# 34-1704-055340) after an employee requested to use it and it was not found in the equipment bag. The projector had been used last at the beginning of 2017. The police report was filed four months after it was discovered missing.

Both police reports were out of compliance with the District procedures because they were not file within two business days from when the incident took place and because the equipment was not safeguarded. The department should ensure that all equipment is safeguarded at all times. If equipment is not utilized on a day-to-day basis, it should be stored in a secured location and the appropriate staff should physically verify this property as needed to provide the most effective means of securing the equipment.

Non-compliance with policies and procedures for fixed assets leaves the District vulnerable to undetected employee errors and theft or misuse of assets. The department displayed weaknesses in the controls to safeguard fixed assets.

Recommendations

The Office of the Chief Auditor suggests reconciliation of all assets be completed as often as needed to ensure an accurate physical accounting of site designated assets by the staff. The Director should ensure the accounting of assets is completed semi-annually in order to comply with policies and procedures.

The Office of the Chief Auditor recommends the Director register the designated property team member(s) for the Inventory Process & Tips training offered by the Information & Technology Department. In addition, the Director should review Business Practice Bulletin O-100: Procedure for Property and Inventory Control with the designated property team member(s) to ensure compliance with all procedures. The following internal control areas require improvement.

- In the event of theft or vandalism, the property custodian should report the loss to the Special Investigative Unit (SIU) and the local authorities at the time of the incident. This should be completed within two business days from when the incident took place.
- All locations must take appropriate measures to ensure the safekeeping of all tangible personal property.
- At a minimum, semi-annual inventories should be conducted to certify the District's property records are accurately maintained and updated. This should include the high-risk property items that are not included in the Master File database.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**DANIEL GOHL
CHIEF ACADEMIC OFFICER**

Phone: 754-321-2618

November 16, 2017

TO: Patrick Reilly
Chief Auditor

FROM: Dan Gohl 
Chief Academic Officer

SUBJECT: **STUDENT SERVICES- PROPERTY AUDIT EXCEPTION RESPONSE**

The Chief Academic Office has reviewed the internal audit findings for the Student Services Department. The audit findings have been reviewed with Dr. Laurel Thompson, Director, Student Services Department. Procedures were implemented and will be monitored to ensure compliance. Additionally, communication went out to Academics Leadership to ensure proper practice is followed with respect to property/inventory management.

Please let me know if you have any further questions.

DG: dab

c: Michaëlle Pope, Executive Director, Student Support Initiatives
Dr. Laurel Thompson, Director, Student Services
Ali Arcese, Office of the Chief Auditor

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

LAUREL E. THOMPSON
DIRECTOR, STUDENT SERVICES

November 2, 2017

TO: Daniel Gohl 
Chief Academic Officer

FROM: Laurel E. Thompson, Director 
Student Services Department

VIA: Michaëlle Pope, Executive Director 
Student Support Initiatives

SUBJECT: **PROPERTY AUDIT EXCEPTION**

During a recent audit of the property and inventory managed by the Student Services Department, two items were reported as missing. During the Department's semi-annual inventory check, both of these items were identified as missing, and a theft report was filed. However, the reporting time fell outside of the District's required timeline. **Moving forward, a report of a stolen item will be filed as soon as the item is reported as missing.**

The Student Services Department has 363 items in its property and inventory. The cost of the missing items totals much less than 1% of the total inventory. However, 68% of the total inventory are Dell and Lenovo laptops that cost less than \$1,000 each, and are not factored into the District's calculation of 1% of the Department's total inventory.

The following safety measures are implemented to ensure compliance with District's procedure for reporting a theft and for safeguarding the property and inventory:

- A report to SIU and the Fort Lauderdale Police will be made as soon as an item is reported as missing;
- Access to the technology room is allowed only to the Micro-Tech Specialist, the Head Custodian and the Campus Security Specialist. All other access keys were returned and swipe badges were deactivated;
- For added security, a padlock was installed on laptop storage cabinet;
- Office Manager will attend the Inventory Process and Tips training offered by the Information & Technology Department;
- Business Practice Bulletin 0-100 Procedure for Property and Inventory Control will be periodically reviewed with the Office Manager;
- **Semi-annual inventories will continue to be conducted;**
- **Beginning of the year staff training on inventory control will continue; and**
- **Inventory control will continue to be included in all new staff orientation sessions.**

The Student Services Department looks forward to again receiving commendations for a perfect audit as had been the case for many consecutive years. Should you have any questions, please contact Dr. Laurel E. Thompson at 754-321-1550.

MVP/LET:ma

SECTION V:
Supplemental Information

The 2016 Florida Statutes

Title XVIII

PUBLIC LANDS AND PROPERTY

TANGIBLE PERSONAL PROPERTY OWNED BY LOCAL GOVERNMENTS

CHAPTER 274

TANGIBLE PERSONAL PROPERTY OWNED BY LOCAL GOVERNMENTS

- 274.1 Definitions.
- 274.2 Record and inventory of certain property.
- 274.3 Property supervision and control.
- 274.4 Property acquisition.
- 274.5 Surplus property.
- 274.6 Alternative procedure.
- 274.7 Authorizing and recording the disposal of property.
- 274.8 Penalty.
- 274.9 Construction.
- 274.10 Initiation of act.
- 274.11 County health department property.
- 274.12 Special districts subject to chapter.

274.1 Definitions.-The following words as used in this act have the meanings set forth in the below subsections, unless a different meaning is required by the context:

- (1) "Governmental unit" means the governing board, commission or authority of a county or taxing district of the state or the sheriff of the county.
- (2) "Custodian" means the person to whom the custody of county or district property has been delegated by the governmental unit.
- (3) "Property" means all tangible personal property, owned by a governmental unit, of a nonconsumable nature.
- (4) "Fiscal year" means the governmental unit's fiscal year established pursuant to law; otherwise, it means the calendar year.

History.-s. 1, ch. 59-163; s. 1, ch. 61-102.

274.2 Record and inventory of certain property.-

- (1) The word "property" as used in this section means fixtures and other tangible personal property of a nonconsumable nature.
- (2) The Chief Financial Officer shall establish by rule the requirements for the recording of property and for the periodic review of property for inventory purposes.

History.-s. 2, ch. 59-163; s. 8, ch. 69-82; s. 1, ch. 73-87; s. 5, ch. 82-104; s. 1, ch. 88-53; s. 5, ch. 96-209; s. 2, ch. 2004-296; s. 41, ch. 2006-122.

274.3 Property supervision and control.-A governmental unit shall be primarily responsible for the supervision and control of its property but may delegate to a custodian its use and immediate control and may require custody receipts. A governmental unit may assign to or withdraw from a custodian the custody of any of its property at any time; provided, that if the custodian is an officer elected by the people or appointed by the

Governor, the property may not be withdrawn from the officer's custody without his or her consent. Each custodian shall be responsible to the governmental unit for the safekeeping and proper use of the property entrusted to his or her care. If the custodian is not a bonded officer, the governmental unit may require from the custodian a bond conditioned upon such safekeeping and proper use. In each county the sheriff shall be the custodian of the property of the office of sheriff.

History.- s. 3, ch. 59-163; s. 2, ch. 61-102; s. 186, ch. 95-148.

274.4 Property acquisition.-Whenever acquiring property, the governmental unit may pay the purchase price in full or may exchange property with the seller as a trade-in and apply the exchange allowance to the cost of the property acquired. If, whenever acquiring property, the governmental unit may best serve the interests of the county or district by outright sale of the property to be replaced, rather than by exchange as a trade-in, it may make the sale in a manner otherwise prescribed in this act for the disposal of property. The receipts from the sale may be treated as a current refund if the property to be acquired shall be contracted for within the same fiscal year of the governmental unit in which the property sold is disposed of.

History.- s. 4, ch. 59-163.

274.5 Surplus property.-A governmental unit shall have discretion to classify as surplus any of its property, which property is not otherwise lawfully disposed of, that is obsolete or the continued use of which is uneconomical or inefficient, or which serves no useful function. Within the reasonable exercise of its discretion and having consideration for the best interests of the county or district, the value and condition of property classified as surplus, and the probability of such property's being desired by the prospective bidder or donee to whom offered, the governmental unit may offer surplus property to other governmental units in the county or district for sale or donation or may offer the property to private nonprofit agencies as defined ins. 273.01(3) by sale or donation. If the surplus property is offered for sale and no acceptable bid is received within a reasonable time, the governmental unit shall offer such property to such other governmental units or private nonprofit agencies as determined by the governmental units on the basis of the foregoing criteria. Such offer shall disclose the value and condition of the property. The best bid shall be accepted by the governmental unit offering such surplus property. The cost of transferring the property shall be paid by the governmental unit or the private nonprofit agency purchasing or receiving the donation of the surplus property.

History.- s. 5, ch. 59-163; s. 21, ch. 94-226; s. 6, ch. 96-209; s. 1, ch. 96-236.

274.6 Alternative procedure.-Having consideration for the best interests of the county or district, a governmental unit's property that is obsolete or the continued use of which is uneconomical or inefficient, or which serves no useful function, which property is not otherwise lawfully disposed of, may be disposed of for value to any person, or may be disposed of for value without bids to the state, to any governmental unit, or to any political subdivision as defined in s. 1.01, or if the property is without commercial value it may be donated, destroyed, or abandoned. The determination of property to be disposed of by a governmental unit pursuant to this section instead of pursuant to other provisions of law shall be at the election of such governmental unit in the reasonable exercise of its discretion. Property, the value of which the governmental unit estimates to be under \$5,000, may be disposed of in the most efficient and cost-effective means as determined by the governmental unit. Any sale of property the value of which the governmental unit 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 governmental unit, and in additional newspapers if in the judgment of the governmental unit the best interests of the county or district will better be served by the additional notices; provided that nothing herein contained shall be construed to require the sheriff of a county to advertise the sale of miscellaneous contraband of an estimated value of less than \$5,000.

History.- s. 6, ch. 59-163; s. 22, ch. 94-226; s. 7, ch. 96-209.

274.7 Authorizing and recording the disposal of property.-Authority for the disposal of property shall be recorded in the minutes of the governmental unit. The disposal of property within the purview of s. 274.02 shall be

recorded in the records required by that section.

History.- s. 7, ch. 59-163.

274.8 Penalty.-Any person who violates any provision of this act or any rule prescribed pursuant to its authority shall be guilty of a misdemeanor of the second degree, punishable as provided ins. 775.082 ors. 775.083.

History.- s. 8, ch. 59-163; s. 158, ch. 71-136.

274.9 Construction.-The provisions of this act shall be liberally interpreted to be cumulative and supplementary to any general, special or local law, heretofore or hereafter enacted.

History.- s. 10, ch. 59-163 .

274.10 Initiation of act.-This act shall govern the administration of the property of each governmental unit from the beginning of such governmental unit's fiscal year next succeeding Niay 28, 1959.

History.- s. 11, ch. 59-163 .

274.11 County health department property.- Title to property purchased by county health departments established pursuant to the provisions of chapter 154, whether purchased with federal, state or county funds, or any combination thereof, shall be vested in the board of county commissioners of the county where said county health department is located and shall be accounted for in accordance with the provisions of this chapter.

History.- s. 1, ch. 61-46.

274.12 Special districts subject to chapter.-Every special district governed by the provisions of this act shall comply with the provisions of this chapter.

History.- s. 12, ch. 79-183; s. 3, ch. 2004-296.

CHAPTER 69I-73
Tangible Personal Property Owned by Local Governments

69I-73.001	Definitions.
69I-73.002	Threshold for Recording Property.
69I-73.003	Recording of Property.
69I-73.004	Marking of Property Records.
69I-73.005	Disposition of Property.
69I-73.006	Inventory of Property.

69I-73.001 Definitions.

(1) “Control Accounts” means summary accounts designed to control accountability for individual property records. Unlike individual property records which establish accountability for particular items of property, control accounts accumulate the total cost or value of the custodian’s property and, through entries to the control accounts documenting acquisitions, transfers and dispositions, provide evidence of the change in that total cost or value over periods of time as well as the total cost or value at any time.

(2) “Cost” means acquisition or procurement cost (i.e., invoice price plus freight and installation charges less discounts). In determining cost, the value of property exchanged by the custodian in satisfaction of a portion of the purchase price of new property shall not be deducted from the full purchase price regardless of any property “traded in” on the new property.

(3) “Custodian” has the meaning set forth in Section 274.01(2), F.S.

(4) “Custodian’s Delegate” means a person acting under the supervision of the custodian to whom the custody of property has been delegated by the custodian and, from whom the custodian receives custody receipts.

(5) “Data Processing Software” has the meaning set forth in Section 119.011(6), F.S. Data processing software is not considered to be property within the meaning of these rules.

(6) “Depreciated Cost” means cost less accumulated depreciation.

(7) “Financial System” means the fund accounting process used by the local government for recording cash and other financial resources, expenditures and other financial uses, together with all related liabilities and residual equities or balances.

(8) “Fiscal Year” means the governmental unit’s fiscal year established pursuant to law.

(9) “Governmental Unit” has the meaning set forth in Section 274.01(1), F.S.

(10) “Identification Number” means a unique number assigned and affixed to each item of property to identify it as property held by the custodian and for the purpose of differentiating one item of property from another.

(11) “Property” has the meaning set forth in Section 274.02(1), F.S.

(12) “Unaccounted for Property” means property held by a custodian, subject to the accountability provisions of Section 274.03, F.S., which cannot be physically located by the custodian or custodian’s delegate, which property has not been otherwise lawfully disposed of.

(13) “Value” means the worth or fair market value at the date of acquisitions for donated property.

Specific Authority 274.02 FS. Law Implemented 274.01, 274.02 FS. History–New 3-25-08.

69I-73.002 Threshold for Recording Property.

All property with a value or cost of \$1,000 or more and a projected useful life of 1 year or more shall be recorded in the local government’s financial system as property for inventory purposes.

Specific Authority 274.02 FS. Law Implemented 274.02 FS. History–New 3-25-08.

69I-73.003 Recording of Property.

(1) Maintenance of Property Records – Governmental units shall maintain adequate records of property in their custody. The records shall contain at a minimum, the information required by these rules.

(2) Individual Records Required for Each Property Item – Each item of property shall be accounted for in a separate property record. Related individual items which constitute a single functional system may be designated as a property group. A property

group may be accounted for in one record if the component items are separately identified within the record. Examples of property items subject to group accountability include, but are not limited to, modular furniture, computer components, book sets, and similar association of items. All property group items, the total value or cost of which is equal to or greater than \$1,000 shall be inventoried under this rule.

(3) Content of Individual Property Records – Each property record shall include the following information:

(a) Identification number.

(b) Description of item or items.

(c) Physical location (the city, county, address or building name, and room number therein).

(d) Name of custodian with assigned responsibility for the item.

(e) In the case of a property group, the number and description of the component items comprising the group.

(f) Name, make or manufacturer if applicable.

(g) Year and/or model(s) if applicable.

(h) Manufacturer's serial number(s) if any, and if an automobile, vehicle identification number (VIN) and title certificate number if applicable.

(i) Date acquired.

(j) Cost or value at the date of acquisition for the item or the identified component parts thereof. When the historical cost of the purchased property is not practicably determinable, the estimated historical cost of the item shall be determined by appropriate methods and recorded. Estimated historical costs shall be identified in the record and the basis of determination established in the governmental unit's public records. The basis of valuation for property items constructed by personnel of the governmental unit shall be the costs of material, direct labor and overhead costs identifiable to the project. Donated items, including federal surplus tangible personal property, shall be valued at fair market value at the date of acquisition. Regardless of acquisition method, the cost or value of a property item shall include ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include expenditures that are directly attributable to asset acquisition, such as freight and transportation charges, installation costs and professional fees.

(k) Method of acquisition and, for purchased items, the voucher and check or warrant number.

(l) Date the item was last physically inventoried and the condition of the item at that date.

(m) If disposed of, the information prescribed in Rule 69I-73.005, F.A.C.

(n) The local government may include any other information on the individual property record that the governmental unit may care to include.

(4) Control Accounts – A governmental unit-wide control account showing the total cost or value of the custodian's property shall be maintained. A governmental unit may keep additional control accounts for property to the extent deemed necessary for different funds or sub-funds. Control accounts shall not be established by periodically summarizing the costs or values recorded on the individual property records. Rather, entries to control accounts shall be derived from documents evidencing transactions affecting the acquisition, transfer or disposition of property items and shall be posted contemporaneously with entries to the individual property records.

(5) Depreciation shall be recorded to meet local governments' financial reporting requirements relating to depreciation accounting. However, depreciation shall not be recorded on the individual property records or in control accounts in such a manner as to reduce the recorded acquisition cost or value (i.e., depreciation shall be recorded as an item separate from the acquisition cost).

Specific Authority 274.02 FS. Law Implemented 274.02 FS. History–New 3-25-08.

69I-73.004 Marking of Property Records.

(1) Marking of Property – Each property item shall be permanently marked with the identification number assigned to that item to establish its identity and ownership by the governmental unit holding title to the item. The marking shall visually display the property identification number of the item and may include an electronic scanning code (“barcode”) to facilitate electronic inventory procedures.

(2) Exemptions for Marking Property – Any item of property whose value or utility would be significantly impaired by the attachment or inscription of the property identification number, is exempt from the requirement for physical marking. However, the custodian's property records shall contain sufficient descriptive data to permit positive identification of such items.

(3) Location of Marking – Items of a similar nature shall be marked in a similar manner to facilitate identification. In determining a marking location, careful consideration shall be given to the intended use of the items; the probability that the marking could be obliterated by wear, vandalism or routine maintenance functions; and, the appropriateness of the marking method chosen. Additionally, the location of the marking and the marking method chosen shall not mar the appearance of the item. When utilizing an electronic scanning format system, electronic codes shall be placed on property in the same manner as other markings specified in this section.

Specific Authority 274.02 FS. Law Implemented 274.02 FS. History–New 3-25-08.

69I-73.005 Disposition of Property.

(1) Methods of Disposition – Property within the meaning of these rules may be lawfully disposed of, as provided in Sections 274.05, 274.06 and 274.07, F.S. Property of the governmental unit which is not accounted for during regular or special inventories shall be subject to the rules regarding unaccounted for property (See Rule 69I-73.006, F.A.C.).

(2) Required Information – The following information shall be recorded on the individual property record for each item lawfully disposed of, pursuant to Sections 274.05, 274.06 or 274.07, F.S.:

- (a) Date of disposition.
- (b) Authority for disposition (resolution of the governing body properly recorded in the minutes as required by Section 274.07, F.S.).
- (c) Manner of disposition (sold, donated, transferred, cannibalized, scrapped, destroyed, traded).
- (d) Identity of the employee(s) witnessing the disposition, if cannibalized, scrapped or destroyed.
- (e) For items disposed of, a notation identifying any related transactions (such as receipt for sale of the item, insurance recovery, trade-in).
- (f) For property certified as surplus, reference to documentation evidencing that such property was disposed of in the manner prescribed by Section 274.05 or 274.06, F.S.

(3) Transfer of Property Records – The individual property record for each item lawfully disposed of as described in this rule shall be, upon disposition of the item, transferred to a disposed property file. Destruction of such records shall be governed by the provisions of Chapter 119, F.S.

(4) Control Account – The cost or value of items lawfully disposed of shall be removed from the control account at the time of disposition.

Specific Authority 274.02 FS. Law Implemented 274.02 FS. History–New 3-25-08.

69I-73.006 Inventory of Property.

(1) Physical Inventory Required – Each governmental unit shall ensure a complete physical inventory of all property is taken annually and whenever there is a change of custodian or change of custodian’s delegate.

(2) Inventory Forms – The form used to record the physical inventory pursuant to Section 274.02(2), F.S., shall be at the discretion of the governmental unit. However, the form shall display at a minimum for each property item, the following information:

- (a) Date of inventory.
 - (b) Identification number.
 - (c) Existence of property item (or not).
 - (d) Physical location (the city, county, address or building name and room number therein).
 - (e) Present physical condition.
 - (f) Name and signature of the employee or other individual attesting to the existence of the item.
 - (g) In the case of a property group, the number and description of the component items comprising the group.
- (3) Electronic scanning format used for the identification number is acceptable only if the recorded data is downloadable to a computer and can then be used to generate reports that will include all information required on the hardcopy inventory form.

(4) Unrecorded Property – Any property item found during the conduct of an inventory which meets the requirements for accounting and control as defined in Rule 69I-71.003, F.A.C., and which item is not included on the inventory forms described

above, shall have an inventory form created for the item when located. After appropriate investigation to establish the ownership of the item, it shall be added to the governmental unit's property records or, if ownership cannot be reasonably established, the item may be disposed of in the manner provided by law as applicable to surplus property, pursuant to Section 274.05 and 274.06, F.S.

(5) Custodian Delegate Shall Not Inventory Certain Items – The custodian delegate shall not personally inventory items for which they are responsible.

(6) Reconciliation of Inventory to Property Records – Upon completion of a physical inventory:

(a) The data listed on the inventory forms shall be compared with the individual property records. Noted differences such as location, condition and custodian shall be investigated and corrected as appropriate or alternatively, the item shall be relocated to its assigned location and custodian in the individual property record.

(b) Items not located during the inventory process shall be promptly reported to the governmental unit which shall cause a thorough investigation to be made. If the investigation determines that the item was stolen, the individual property record shall be so noted, and a report filed with the appropriate law enforcement agency describing the missing item and the circumstances surrounding its disappearance.

(7) Unaccounted for Property – For items identified as unaccounted for and reported to the State's Chief Financial Officer, recording of the items as dispositions, or otherwise removing of the items from the property records, shall be subjected to approval of the State's Chief Financial Officer, as provided in Section 17.041, F.S., and Rule 69I-71.003, F.A.C.

Specific Authority 274.02 FS. Law Implemented 274.02 FS. History–New 3-25-08.

SUBJECT: PROCEDURE FOR PROPERTY & INVENTORY CONTROL

GENERAL:

Florida Statutes (Ch. 274), Florida Administrative Rule, and Board policy 3204 outline the District’s responsibility to account for and monitor tangible personal property. The purpose of this bulletin is to outline the procedures associated with Property & Inventory Control. Board policy **3204: PROPERTY ACCOUNTABILITY AND RESPONSIBILITY** designates that principals shall be the custodians of tangible personal property at the schools and that directors shall be the custodians of tangible personal property for the county support services departments.

These procedures address the major aspects of inventory control including purchasing, transfer/salvage, the requirement to conduct self-inventories and the reporting of tangible personal property loss through theft or vandalism. It shall be the responsibility of the Accounting & Financial Reporting Department - Capital Assets to maintain the District’s Master File of Capital Assets database for tangible personal property valued at \$1,000 or more and **trackable SMART tangible personal property** that has an acquisition value less than \$1,000, is considered high risk and prone to theft and has at least one year useful life and is not consumable in nature (includes but is not limited to musical instruments, iPads, tablets, desktops, printers, interactive white boards and interactive flat panel displays; see **A. Purchasing Tangible Personal Property - SMART Purchases** for detailed procedures regarding SMART purchases), and amend property records based on the submittal of appropriate documentation in accordance with this Business Practice Bulletin, while it shall be the responsibility of the Office of the Chief Auditor to conduct periodic inventory audits.

Although tangible personal property purchases with a unit value less than \$1,000 are not maintained on the District’s Master File of Capital Assets database, property custodians must take appropriate precautions to safeguard and track all tangible personal property (**purchased outside of the SMART program**), especially high risk items such as iPads, tablets, laptops, desktops, printers, interactive white boards and interactive flat panel displays, cameras, audio/video equipment, custodial equipment and musical instruments. Locations must maintain records of these high risk items within a secondary, site-based tracking database. The property custodian will determine the format for maintaining the information contained in the location’s secondary, site-based tracking database (Excel, FileMaker Pro, etc.) unless otherwise mandated by the respective SLT administrator.

A. PURCHASING TANGIBLE PERSONAL PROPERTY – SMART PURCHASES

1. All non-consumable SMART tangible personal property **regardless of cost** must be ordered through the District’s Purchasing system utilizing appropriate coding. (*Exhibit 1 - Detailed procedures for SMART purchasing and receiving*)

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2. When ordering SMART tangible personal property, locations are prohibited from purchasing items in “lots”, “bundles”, or “attached lists”. The acquisition of tangible personal property using P-Cards is also prohibited. In order to accurately account for each property item electronically, tangible personal property must be ordered on unique lines of a requisition and the cost center must be the same as the delivery address. SMART purchases must only be ordered via SMART Standard Requisitions/PO’s (PO’s beginning with #42). The Supply Management & Logistics Department will reject all requisitions for tangible personal property not complying with appropriate guidelines.
3. SMART tangible personal property purchases must be assigned one of the following SMART GL accounts.

SMART Purchases - \$1,000 or More

- a. 56210100: AV-Materials-Over \$1,000-SMART
- b. 56410100: Furn/Fix/Equip-Over \$1,000-SMART
- c. 56430100: Computer Equip-Over \$1,000-SMART
- d. 56910100: Software-Over \$1,000-SMART

SMART Purchases – Under \$1,000.00

- a. 56110100: Library Books-SMART
- b. 56220100: AV-Materials-Under \$1,000-SMART
- c. 56420100: Furn/Fix/Equip-Under \$1,000 Non Trackable-SMART
- d. 56421100: Furn/Fix/Equip-Under \$1,000 Trackable-SMART
- e. 56440100: Comp Equip-Under \$1,000 Non Trackable-SMART
- f. 56441100: Comp Equip-Under \$1,000 Trackable-SMART
- g. 56920100: Software: Software-Under \$1,000-SMART

NOTE:

56420100: Furn/Fix/Equip-Under \$1,000 Non Trackable-SMART is to be used when purchasing furniture, fixtures and equipment (excluding musical instruments).

56421100: Furn/Fix/Equip-Under \$1,000 Trackable-SMART is to be used when purchasing musical instruments. These items will be included on the District’s Master File of Capital Assets database.

56440100: Comp Equip-Under \$1,000 Non Trackable-SMART is to be used when purchasing keyboards, mice, wiring for computers and other similar technology/accessories.

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56441100: Comp Equip-Under \$1,000 Trackable-SMART is to be used when purchasing iPads, tablets, laptops, desktops, printers, interactive white boards and interactive flat panel displays. These items will be included on the District's Master File of Capital Assets database.

4. The cost center assigned to the SMART tangible personal property purchase must agree to the delivery/ship to address.
5. When SMART tangible personal property is received on-line, the individual must process the goods receipt for each item separately and record the unique serial number for each property item within the system regardless of cost. In the event an item does not physically possess a manufacturer's serial number, the new purchase documentation should be maintained in the site's property binder for future reconciliation and subsequent application of a District assigned serial number for tracking. The word "none" should be utilized when receiving those items online that do not have a manufacturer assigned serial number.
6. Once the District's Master File of Capital Assets has been updated, a report will be generated to notify property custodians of all new property record creation within the District's Master File of Capital Assets and will be available for all locations on OptiSpool. An email will be sent by Information & Technology – Production Control to all principals and their secretaries, district directors and secretaries, and budget keepers each time the Master File of Capital Assets is updated with new purchases of tangible personal property. The property custodian should use this opportunity to verify the accuracy of the information associated with the property records. Any corrections required to the asset record should be promptly reported to Accounting & Financial Reporting - Capital Assets via email to the "Capital Assets Conference." This includes necessary changes to the item description, serial number, or quantities received. Additionally, if the tangible personal property has not been received at the location, and the asset record was mistakenly created for this location, the property custodian should immediately notify Accounting & Financial Reporting - Capital Assets to correct the discrepancy in a timely manner. *(Property custodians will receive the email notification from Information & Technology – Production Control even when new property items have not been created or modifications have been processed to existing property records for their respective location. In such instances, there will be no report contained within their respective location file within OptiSpool.)*
7. All equipment should be stored in a secure location until it is ready for use.

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A.1 PURCHASING TANGIBLE PERSONAL PROPERTY

1. All non-consumable tangible personal property with a unit value of \$1,000 or greater must be ordered through the District’s Purchasing system utilizing appropriate coding. *(Exhibit 1A - Detailed procedures for purchasing and receiving)*
2. When ordering tangible personal property, locations are prohibited from purchasing items in “lots”, “bundles”, or “attached lists”. The acquisition of tangible personal property using P-Cards is also prohibited. In order to accurately account for each property item electronically, tangible personal property must be ordered on unique lines of a requisition and the appropriate delivery address should be noted. The Supply Management & Logistics Department will reject all requisitions for tangible personal property not complying with appropriate guidelines.
3. When tangible personal property is received on-line, the individual must process the goods receipt for each item separately and record the unique serial number for each property item within the system. In the event an item does not physically possess a manufacturer’s serial number, the new purchase documentation should be maintained in the site’s property binder for future reconciliation and subsequent application of a District assigned serial number for tracking. The word “none” should be utilized when receiving those items online that do not have a manufacturer assigned serial number.
4. See STANDARD PRACTICE BULLETIN NO:
I-311 Proper recording of donated assets or items purchased utilizing internal funds.
5. Once the District’s Master File of Capital Assets has been updated, a report will be generated to notify property custodians of all new property record creation within the District’s Master File of Capital Assets and will be available for all locations on OptiSpool. An email will be sent by Information & Technology – Production Control to all principals and their secretaries, district directors and secretaries, and budgetkeepers each time the Master File of Capital Assets is updated with new purchases of tangible personal property. The property custodian should use this opportunity to verify the accuracy of the information associated with the property records. Any corrections required to the asset record should be promptly reported to Accounting & Financial Reporting - Capital Assets via email to the “Capital Assets Conference.” This includes necessary changes to the item description, serial number, or quantities received. Additionally, if the tangible personal property has not been received at the location, and the asset record was mistakenly created for this location, the property custodian should immediately notify Accounting & Financial Reporting - Capital Assets to correct the discrepancy in a timely manner. *(Property custodians will receive the email notification from Information & Technology – Production Control even when new property items have not been created or*

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modifications have been processed to existing property records for their respective location. In such instances there will be no report contained within their respective location file within OptiSpool.)

6. All equipment should be stored in a secure location until it is ready for use.

B. TRANSFERRING TANGIBLE PERSONAL PROPERTY

1. When a location is permanently transferring tangible personal property to another location, the property custodian is required to execute a 3290A Surplus/Transfer Declaration Form (See **Exhibit 2**).
2. The 3290A Surplus/Transfer Declaration Form must list the BPI Number (Property Asset Number), serial number, model number, and equipment description for each property item being transferred.
3. The 3290A Surplus/Transfer Declaration Form must then be signed by both property custodians (issuing and receiving).
4. In the event the tangible personal property is able to be relocated without the assistance of Material Logistics, the receiving property custodian should then forward the original 3290A Surplus/Transfer Declaration Form to Accounting & Financial Reporting - Capital Assets.
 - a. Accounting & Financial Reporting - Capital Assets will send an email confirmation to the property custodians upon receipt of the form and documentation.
 - b. Accounting & Financial Reporting - Capital Assets will modify the property records to reflect the transfer of the applicable tangible personal property.
 - c. Within five business days of receiving notification, the transfer request will be processed by Accounting & Financial Reporting - Capital Assets and locations will be contacted for any additional information. The property custodian should verify the applicable property records have been removed from their property inventory by actively monitoring the OptiSpool PNI 954 A, B, & C report(s), or by requesting a PNI 811 report from Information & Technology – Production Control.
 - d. The locations should maintain copies of all pertinent documentation for their files to facilitate any necessary reconciliation during subsequent inventory audits. Transfer documentation that is greater than 90 days old will not be accepted during the property audit of tangible personal property.

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5. In the event assistance is required to relocate the tangible personal property, the receiving property custodian should forward the original 3290A Surplus/Transfer Declaration Form to the Manager, Material Logistics at the Warehouse.
 - a. Material Logistics will then arrange for the physical transfer of the tangible personal property. The issuing and receiving locations should ensure the actual tangible personal property corresponds to the information identified on the 3290A Surplus/Transfer Declaration Form at the time of pick-up and delivery.
 - b. Material Logistics will forward the original 3290A Surplus/Transfer Declaration Form along with the B-stock pick-up acknowledgment form (**See Exhibit 3**) to Accounting & Financial Reporting - Capital Assets.
 - c. Accounting & Financial Reporting Department - Capital Assets will send an email confirmation to the property custodians upon receipt of the form and documentation.
 - d. Within five business days of receiving notification, the transfer request will be processed by Accounting & Financial Reporting Department - Capital Assets and locations will be contacted for any additional information. The property custodian should verify the applicable property records have been removed from their property inventory by actively monitoring the OptiSpool PNI 954 A, B, & C report(s), or by requesting a PNI 811 report from Information & Technology – Production Control.
 - e. The locations should maintain copies of all pertinent documentation for their files to facilitate any necessary reconciliation during subsequent inventory audits. Transfer documentation that is greater than 90 days old will not be accepted during the property audit of tangible personal property.

C. ASSIGNMENT OF TANGIBLE PERSONAL PROPERTY TO STAFF

1. It is recognized that tangible personal property will be assigned to staff for temporary removal of the property from the primary operational site location. In such instances, a Property Pass (**See Exhibit 4**) must be executed to document the assignment and removal of capital equipment from the location.
2. A unique Property Pass must be completed for each piece of tangible personal property removed from the location.

Property Passes must be updated annually or as needed to ensure the physical accounting and proper return of the District’s capital equipment.

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D. CONDUCTING SEMI-ANNUAL INVENTORIES

1. All locations are minimally required to conduct semi-annual inventories to ensure the District’s property records are accurately maintained and updated. This includes the high-risk property items maintained within the secondary database established by the location.
2. The location will request an electronic copy of its PNI 811 report from Information & Technology – Production Control.
3. Appropriate staff will physically verify each property item listed on the PNI 811 report is accounted for on premises or there is a current Property Pass executed for tangible personal property assigned to individuals.
4. Locations shall surplus tangible personal property twice per year in accordance with conducting their self-inventories (See **F. SURPLUS OF TANGIBLE PERSONAL PROPERTY**).
5. After completing the self-inventory, the property custodian shall complete the Semi-Annual Inventory Form (See **Exhibit 5**) and forward a copy of it to their respective SLT administrator.

E. REPORTING THEFT OR VANDALISM OF TANGIBLE PERSONAL PROPERTY

1. All locations must take appropriate measures to ensure the safekeeping of all tangible personal property. This includes securing all high-theft equipment during hours of non-operation.
2. To the extent possible, tangible personal property should be designated to individual staff that is requested to oversee the equipment and report any loss or theft to appropriate administration in “real-time”. Additionally, tangible personal property that is not utilized on a day-to-day basis should be stored in a secured location, and the appropriate staff should physically verify this property as needed to provide the most effective means of securing tangible personal property.
3. In the event of theft or vandalism, the property custodian will report the loss to the Broward District Schools Police Department (BDSPD) and the local authorities at the time of the incident. As a component of the police report and the BDSPD’s Immediate Notification Form (See **Exhibit 6**), the location must provide all applicable property and serial numbers of the stolen tangible personal property along with a narrative of the event. This should be completed within 2 business days from when the incident is known or should have been known.

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4. The location must then complete a **03290** Tangible Property Loss/ Equipment Acquisition Form (**See Exhibit 7**) listing all of the tangible personal property items which were stolen. The form must contain all of the appropriate identifiable information and be signed by the property custodian.
5. The original **03290** Tangible Property Loss/ Equipment Acquisition Form, with a copy of the Immediate Notification Form and the police report attached, should then be forwarded to Accounting & Financial Reporting Department - Capital Assets for record amendment. After allowing an appropriate period of time for the loss to be processed, the location should verify the applicable property records have been amended to reflect the loss by requesting an electronic **DOWNLOAD** of the location's PNI 811 report from Information & Technology – Production Control. In the event property records have not been appropriately amended, the location should follow-up with Accounting & Financial Reporting Department - Capital Assets to ascertain the processing status of the submitted documentation.
6. The location must maintain copies of all pertinent documentation for their files in order to efficiently facilitate any necessary reconciliation during subsequent property and inventory audits.
7. A record of all reported losses will be maintained by the District for the purpose of analyzing loss trends. In the event there is a trend of loss at the same location or any individual loss event is significant in magnitude, a review of the circumstances involved with the loss will be conducted in an effort to prevent similar losses in the future. This review will be conducted by representatives from the following departments: Broward District Schools Police, Risk Management, and Information & Technology. Following the review, recommendations will be made to enhance the security measures at the location in an effort to prevent similar losses in the future. These recommendations may include, but are not limited to:
 - a. Modification to the receipt and storage of asset equipment at the location
 - b. Modification of existing surveillance systems within the location
 - c. Installation of additional security devices/equipment at the location
 - d. Increased frequency of self – inventories of asset equipment
 - e. Installation of passive or active security devices within high-risk equipment items

These recommendations are not a component of the property and inventory audit performed by the Office of the Chief Auditor.

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F. SURPLUS OF TANGIBLE PERSONAL PROPERTY

1. Periodically, the location should surplus any obsolete or damaged tangible personal property in order to remove these records from their property inventory. Locations shall surplus tangible personal property twice per year in accordance with their self-inventories conducted semi-annually (See **D. CONDUCTING SEMI-ANNUAL INVENTORIES**).
2. The location should complete a 3290A Surplus/Transfer Declaration Form to identify the tangible personal property to be salvaged.
3. The 3290A Surplus/Transfer Declaration Form must list the BPI Number (Property Asset Number), serial number, model number, and equipment description for each property item being surplussed. The 3290A Surplus/Transfer Declaration Form must then be signed and dated by the property custodian and adequate explanation/documentation provided for surplussing the tangible personal property (See section **F.11** for instructions on surplussing Buses, Vehicles, and Trailers).
4. The location should make a copy of the 3290A Surplus/Transfer Declaration Form(s) for their record and forward the original to the Manager, Material Logistics at the Warehouse.
5. The Warehouse will arrange to pick-up the tangible personal property designated for surplus from the applicable location. A work order document will be provided to the property custodian at each location to certify removal activity.
6. After confirming the pick-up of the property items, the Manager, Material Logistics will forward the 3290A Surplus/Transfer Declaration Form along with the B-stock pick-up acknowledgment form to Accounting & Financial Reporting Department - Capital Assets for processing.
7. Accounting & Financial Reporting Department - Capital Assets will send an email confirmation to the property custodian upon receipt of the form and documentation.
8. Accounting & Financial Reporting Department - Capital Assets will process the 3290A Surplus/Transfer Declaration Form and remove the property records from the location's property inventory.
9. Within five business days of receiving notification, the 3290A Surplus/Transfer Declaration Form will be processed by Accounting & Financial Reporting Department - Capital Assets and locations will be contacted for any additional information. The property custodian should verify that the property records have

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been removed from the property inventory by requesting a PNI 811 from Information & Technology – Production Control.

10. The location should maintain copies of all pertinent documentation for their files to facilitate any necessary reconciliation during subsequent property and inventory audits.
11. To enhance the accountability associated with Property and Inventory, the procedures for the surplus of buses, vehicles, and trailers require the following steps:
 - a. The location must complete a 3290A Surplus/Transfer Declaration Form to identify buses, vehicles, and trailers to be salvaged.
 - b. The 3290A Surplus/Transfer Declaration Form must list the BPI Number (Property Asset Number), serial or VIN number, model number, and equipment description for each property item being surplussed. The 3290A Surplus/Transfer Declaration Form must then be signed and dated by the property custodian and adequate explanation/documentation provided for surplussing the tangible personal property.
 - c. The location should make a copy of the 3290A Surplus/Transfer Declaration Form(s) for their record and forward the original to Accounting & Financial Reporting Department – Capital Assets for processing.
 - d. Accounting & Financial Reporting Department – Capital Assets will send an email confirmation to the property custodian upon receipt of form and documentation, and will mark the asset with a status of “P” for “Pending Disposal.” The asset will remain in the location’s inventory until final proof of disposition is submitted to Accounting & Financial Reporting Department – Capital Assets.
 - e. The location must submit proof of the asset’s final disposition to Accounting & Financial Reporting – Capital Assets to remove the property records from the location’s property inventory. The proof of final disposition can be submitted in either of the following methods:
 - i. A bill of Sale or a copy of receipt from the contracted auctioneer or,
 - ii. Other proof of disposal, such as a pick-up ticket, trade-in receipt, a copy of receipt from a licensed scrap dealer, an invoice from a metal crushing company, a donation letter to a registered charity or community organization, documented evidence of dumping assets of no or little value, or other auditable supporting documentation.

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- f. Upon receipt of the asset’s final disposition, Accounting & Financial Reporting – Capital Assets will remove the “Pending Disposal” status from the asset, which will subsequently remove the asset’s property records from the location’s property inventory.

G. EXECUTION OF TANGIBLE PERSONAL PROPERTY DOCUMENTATION BY DESIGNEES

- 1. Board policy **3204: PROPERTY ACCOUNTABILITY AND RESPONSIBILITY** designates that principals shall be the custodians of tangible personal property at the schools and that directors shall be the custodians of tangible personal property for the county support services departments.
- 2. Principals and Directors are to execute all documentation associated with tangible personal property.
- 3. Principal and Director Designees may execute documentation associated with tangible personal property in the absence of a property custodian in order to avoid disruption of daily operations. In such instances, the property custodian must also sign such documentation upon their return to the location, or as soon as practical.

H. PROPERTY AUDITS OF TANGIBLE PERSONAL PROPERTY

- 1. Periodically, the Office of the Chief Auditor (OCA) will conduct a property and inventory audit for locations. The purpose of this audit will be to verify the physical presence of tangible personal property designated on a location’s property inventory and to ensure appropriate controls are in place to safeguard the location’s tangible personal property. This will include a cursory review of the safeguards associated with high-risk items maintained within the location’s secondary database (as previously defined by this Business Practice Bulletin). Accounting & Financial Reporting Department - Capital Assets will be notified by OCA when a location is being audited and upon completion of the audit so that the property records for the location are not altered during the duration of an audit.
- 2. OCA staff will then issue a preliminary report identifying the property items which could not be physically located or did not have appropriate documentation to support their absence.
- 3. The location will be provided a reconciliation period to locate the unaccounted tangible personal property or provide supplemental documentation to substantiate their physical location.

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4. The OCA will then issue a final audit report to the property custodian, identifying the final discrepancy list and outlining any material weaknesses associated with the location's inventory control. A copy of the final discrepancy report will also be forwarded to Accounting & Financial Reporting Department - Capital Assets in order to amend the property records as deemed appropriate. For any new/found tangible personal property listed on the final audit discrepancy report with a historical cost/estimated value of \$1,000 or more, the location must forward a **03290** Tangible Property Loss/ Equipment Acquisition Form signed by the property custodian with invoices or estimated values authorizing Accounting & Financial Reporting Department - Capital Assets to add these property items to the Master File of Capital Assets database.
5. The property custodian must provide a response to the final report findings via the respective SLT administrator, outlining a corrective action plan designed to address the property audit exceptions and improve operational standards at the location.
6. The respective SLT administrator must then provide written correspondence to the OCA confirming their support of the action plan. This correspondence will be included in the final audit report.
7. The complete property audit will then be presented to the District's Audit Committee at their next regularly scheduled meeting.
8. The property audit report will subsequently be transmitted to the School Board at a regularly scheduled School Board meeting.

APPROVED BY: CABINET

DATE: 8/1/17

CABINET MEMBER SIGNATURE: _____



REQUISITION PROCEDURES FOR SMART AND GENERAL OBLIGATION BOND (GOB) FUNDS ONLY

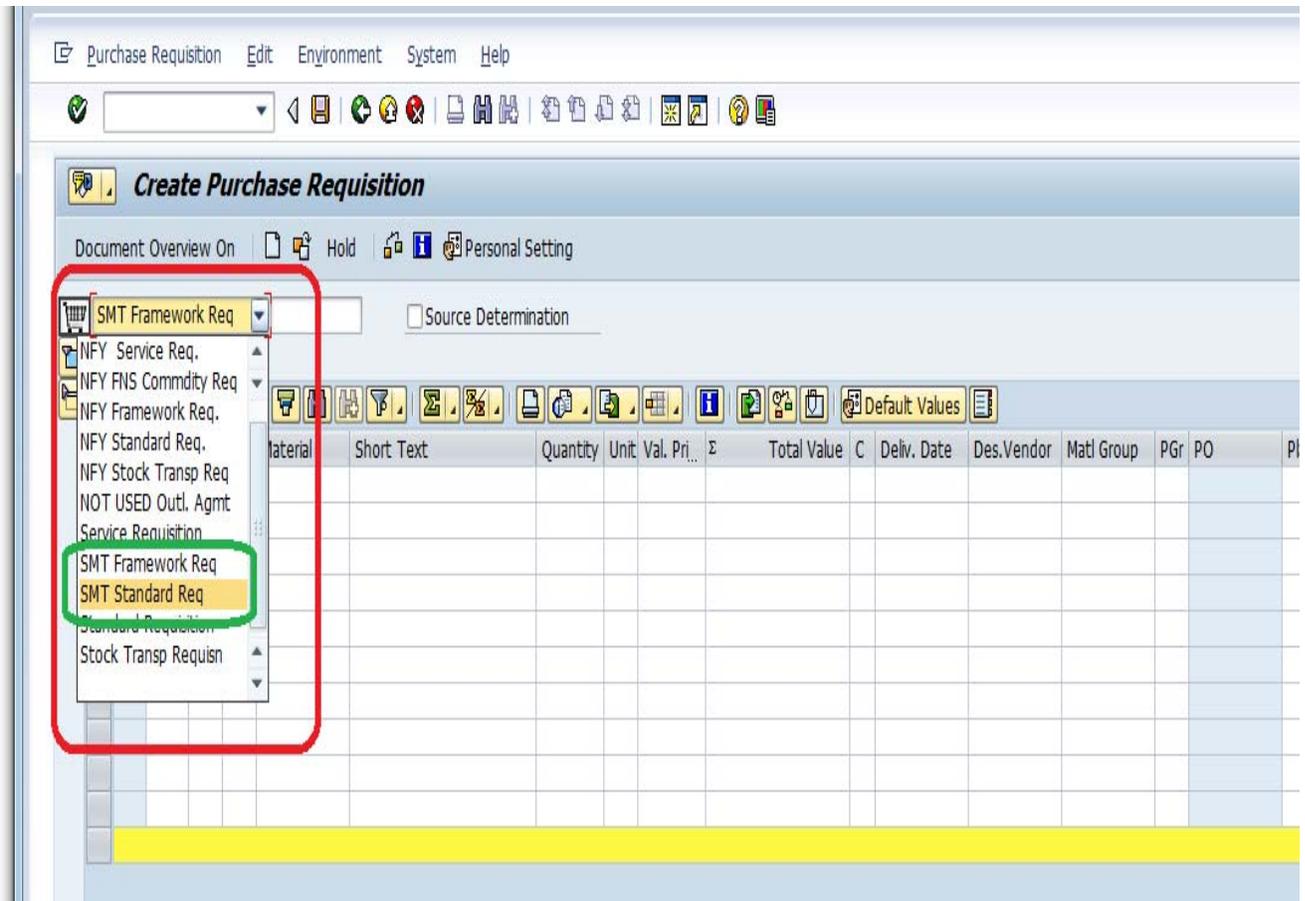
Follow the instructions and guidelines in this document to place orders for SMART and/or GOB purchases. Please note that there are different document types to use when creating requisitions for SMART/GOB orders. These document types must be used when creating SMART/GOB orders. The number sequence for requisitions and Purchase Orders for SMART/GOB orders will be different than Non SMART/GOB orders. Capital Budget will budget funds by location and instruct those locations in which fund to apply to the SMART/GOB requisition. Refer to Business Practice Bulletin O-100 – Procedure for Property & Inventory Control for updates on the SMART/GOB procedures.

1. SMART/GOB Purchase Requirements:

- A. Purchases must be assigned the appropriate GL account as listed herein
- B. Items cannot be ordered in lots, bundles or attached lists
- C. Ship to address must be the same as requested Storage location (SLoc).
- D. Ship to address must include location within the building (room/fishe number)
- E. P – Cards are not to be used with Smart/Bond Funds

2. SMART/GOB Document Type:

- A. DO NOT mix Smart/GOB and non-Smart/GOB items on the same requisition
- B. Use document type SMT Standard for standard SMART/GOB requisition orders (see illustration)
- C. Use document type SMT Framework for framework SMART/GOB requisition orders (see illustration)



3. SMART Numbering Sequence:

- A. SMT requisitions will begin with 30xxxxxx
- B. SMT standard PO's will begin with 42
- C. SMT framework PO's will begin with 85

4. Capital Projects Fund (Major Fund)/WBS Element:

- A. Separate Capital Projects funds will be utilized for each GOB. Fund 3541 will be used for GOB1, 3542 for GOB2. Please contact Capital Budget for the correct fund to use
- B. WBS Element or Functional Area (for Technology) will be utilized per SMART/GOB project
 - I. Capital Budget to provide WBS Element and Functional Area data to use when ordering/tracking SMART/GOB expenditures

5. SMART/GOB Capitalized General Ledger (GL) accounts:

- A. Technology Equip.: Computer Equipment \$1,000 or more, use [56430100](#)
- B. Other Equip.:
 - I. Audio Visual Material \$1,000 or more, use [56210100](#)

- II. Furniture, Fixtures & Equipment \$1,000 or more, use 56410100
- C. Software \$1,000 or more use 56910100
- D. Building, Fixed Equipment, Land and Remodeling/Renovations:
 - I. Buildings & Fixed Equipment, use 56310100
 - II. Land, use 56610100
 - III. Capitalized Improvement other than Bldg. (Short Term), use 56710100
 - IV. Capitalized Improvement other than Bldg. (Long Term), use 56730100
 - V. Capitalized Permanent Land Improvements, use 56740100
 - VI. Capitalized Remodeling/Renovations, use 56810100
 - VII. Buses and motor vehicles, use 56510100 (buses) and 56520100 (motor vehicles)
 - VIII. WBS Element or Functional Area data will be used per Project and will be provided by Capital Budget

6. SMART/GOB Non-Capitalized (\$999.99 or less) General Ledger (GL) accounts:

- A. Computer Equipment Non-Trackable \$999.99 or less, use 56440100
(Includes but is not limited to keyboards, mice, wiring and other similar technology/accessories not tracked per PROP)
- B. Computer Equipment Trackable \$999.99 or less, use 56441100
(Includes but is not limited to iPads, tablets, laptops, desktops, printers, interactive white boards and interactive flat panel displays. Expenditures recorded using this GL account code will be tracked per PROP.)
- C. Other Equip.:
 - I. Library Books, use 56110100
 - II. Audio Visual Material \$999.99 or less, use 56220100
 - III. Furniture, Fixtures & Equipment \$999.99 or less Non Trackable, use 56420100
 - IV. Furniture, Fixtures & Equipment \$999.99 or less Trackable, use 56421100 (musical instruments)
 - V. Software \$999.99 or less, use 56920100
- D. Buildings, Fixed Equipment, Land and Remodeling/Renovations:
 - I. Non-Capitalized Improvement other than Bldg. (SMART Off site), use 56720100
 - II. Non-Capitalized Remodeling/Renovations, use 56820100

7. Tangible Personal Property (TPP) and non-TPP SMART/GOB purchases over/under \$1,000

- A. TPP is defined as items with account coding 5611, 562X, 564X and 569X
- B. Receiving for TPP trackable over/under \$1,000
 - I. Serial numbers are required to be recorded for all TPP received, regardless of cost
 - II. Receiving personnel must review WBS or Functional area coding to determine funding source (SMART or GOB)
- C. SMART/GOB TPP in PROP over/under \$1,000
 - I. SMART or GOB purchases will have a separate sequential BPI number to identify type of purchase
 - II. The "Location" field will use an identifier of GOBx or SMTx to identify the type of purchase
 - III. The "Project" field will be used to track the actual physical location of the asset purchase
 - IV. These items shall follow the same Surplus and Transfer forms process and procedures as indicated in Business Practice Bulletin O-100 regardless of cost

8. Charter Schools and SMART/GOB:

- A. Fixed assets will be purchased directly by BCPS for Charter Schools following the same process and procedures as indicated in this document
- B. Charter Schools must follow the same budget mechanism as used for other Charter School purchases
- C. Business Support Center (BSC) personnel will create purchase requisitions following guidelines specified for Charter Schools
- D. Purchases will be tracked by Cost Center. All technology/electronic equipment (i.e. monitors, docking stations, etc.) will be tracked
- E. OptiSpool and PROP reports will be utilized to track Charter Schools
- F. Office of Chief Auditor shall be notified of all items shipped to Charter Schools