

INTERNAL AUDIT REPORT

Property and Inventory Audits of Selected Locations

2018- 2019



To be presented to the:

**Audit Committee on
January 31, 2019**

and

**The School Board of Broward County, Florida on
March 5, 2019**

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
Joris M. Jabouin, Chief Auditor

**The School Board of
Broward County, Florida**

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Superintendent of Schools

January 25, 2019

Members of the School Board of Broward County, Florida
Members of the Audit Committee of the School Board of Broward County, Florida
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 Accounting Standards issued by the Comptroller of the United States.

This report contains twenty-one (21) property and inventory audits. Our property audits indicated that nineteen (19) locations in the report complied with prescribed policies and procedures. Two (2) 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,

Joris M. Jabouin, CPA
Chief Auditor

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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 2018-19

The following report discloses the audit results for 21 locations. These audits were finalized between November 7, 2018 through January 25, 2019. A summary of this report notes that:

- For the 21 locations, items were listed in the property records at a historical cost of \$21,522,113.
- For the 21 locations included in this report, 57 items were considered unaccounted for and had a historical cost of \$66,292.

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 7, 2018 through January 25, 2019. 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.
					Not Physically Accounted for	Out of Compliance		
School	Cooper City Elementary	634	\$622,056	1	\$158	\$0	No Exception	
School	Indian Trace Elementary	785	\$615,910	6	\$3,980	\$7,978	Exception	Pgs. 9-13
School	James S. Hunt Elementary	997	\$611,958	3	\$1,836	\$0	No Exception	
School	Pembroke Pines Elementary	553	\$634,761	0	\$0	\$0	No Exception	
School	Pines Lakes Elementary	954	\$860,643	17	\$1,363	\$20,526	Exception	Pgs. 14-17
School	Pinewood Elementary	894	\$664,774	0	\$0	\$0	No Exception	
School	Sheridan Hills Elementary	802	\$573,513	0	\$0	\$0	No Exception	
School	Millennium 6-12 Collegiate Academy	1,791	\$1,097,383	0	\$0	\$0	No Exception	
School	Coral Glades High	2,529	\$2,791,569	6	\$2,557	\$2,842	No Exception	
School	Plantation High*	2,683	\$3,087,094	22	\$23,052	\$0	No Exception	
Department	Broward Education Communications	845	\$8,747,055	2	\$0	\$2,000	No Exception	
Department	Business Support Center	213	\$268,762	0	\$0	\$0	No Exception	
Sub Total		13,680	\$20,575,478	57	\$32,946	\$33,346		

Area	Name	Total Items	Historical Cost	Items Unaccounted For (INAF)	Historical Cost (INAF)		No Exception/ Exception	Page No.
					Not Physically Accounted for	Out of Compliance		
Department	Career, Technical, Adult & Community	76	\$83,639	0	\$0	\$0	No Exception	
Department	Coordinated Student	39	\$62,197	0	\$0	\$0	No Exception	
Department	Equity & Academic Attainment	221	\$321,153	0	\$0	\$0	No Exception	
Department	Medicaid/504	16	\$25,686	0	\$0	\$0	No Exception	
Department	Procurement & Warehousing Services	30	\$70,926	0	\$0	\$0	No Exception	
Department	School Counseling & BRACE Advisement	9	\$10,557	0	\$0	\$0	No Exception	
Department	Student Services	129	\$97,757	0	\$0	\$0	No Exception	
Department	Student Support Initiatives	472	\$206,786	0	\$0	\$0	No Exception	
Department	Support Services	40	\$67,934	0	\$0	\$0	No Exception	
Sub Total		1,032	\$946,635	0	\$0	\$0		

Grand Total	14,712	\$21,522,113	57	\$32,946	\$33,346	19 No Exceptions 2 Exceptions
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Audits Performed by:

**Ashley Acevedo
Merlin Butler
Ashley Collins
Bryan Erhard
Thomas Martens
Arsenio Mobley
Richard Senatus
Jonathan Tolentino**

Audits Processed by:

Megan Gonzalez

Audits Managed by:

Ali Arcese

*Due to the number of items not located during the property and inventory audit, the new Principal at Plantation High School has implement new procedures for securing tangible personal property.

SECTION II:
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

Pembroke Pines Elementary

Pinewood Elementary

Sheridan Hills Elementary

Millennium Collegiate Academy

Business Support Center

Career, Technical, Adult & Community

Coordinated Student

Equity & Academic Attainment

Medicaid/504

Procurement & Warehousing Services

School Counseling & BRACE Advisement

Student Services

Student Support Initiative

Support Services

SECTION III:
Property & Inventory Audit - Summary Detail

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
Office of the Chief Auditor
Property Division
2018-2019
Indian Trace Elementary (3181)
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 10-04342	APPLE MACBOOK 2.1 GHZ	\$ 1,343.00	\$ 1,343.00	\$ -	Missing
2 97-47278	LCD HIGH PROJECTOR	\$ 2,636.70	\$ 2,636.70	\$ -	Missing

Finding 2 Surpluse of Tangible Personal Property

Area out of compliance

BPB O-100: Procedure for Property and Inventory Control

The location should complete a 3290A Surplus/Transfer Declaration Form to identify the tangible personal property to be salvaged. 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 surplus. The 3290A Surplus/Transfer Declaration Form must then be signed and dated by the property custodian and adequate explanation/documentation

BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST	ALLOWABLE DEPRECIATION ^[1]	VALUE	MANAGEMENT RESPONSE
3 06-11525	TELEVISION RECV/MONITOR 32"	\$ 1,050.00	\$ 1,050.00	\$ -	Surplussed
4 R03-21862	ULTRAPORTABLE PROJECTOR	\$ 2,766.00	\$ 2,766.00	\$ -	Surplussed
5 03-16223	ULTRAPORTABLE PROJECTOR	\$ 2,766.00	\$ 2,766.00	\$ -	Surplussed

Finding 3: Delay of reporting lost equipment

Area out of compliance

Business Practice Bulletin O-100: Procedures for Property and Inventory Control

(E) Reporting Theft or Vandalism of Tangible Personal Property

The location should report the loss of tangible personal property to the Broward District Schools Police Department (BDSPD) and the local authorities at the time of the incident. The location must provide all applicable property and serial numbers of the stolen tangible personal property along with a narrative of the event. The report 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
6 05LA22583	APPLE REFRESH LAPTOP	\$ 1,395.62	\$ 1,395.62	\$ -	Reported Lost

Total Historical Cost of Property unaccounted for as of December 15, 2018 \$ 11,957.32

^[1]Total Accumulated Depreciation as of December 15, 2018 \$ 11,957.32

Net Value of Property considered unaccounted for as of December 15, 2018 \$ -

[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

2018-2019

Pines Lakes Elementary (2861)

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 13-00376	APPLE AIRBOOK 1.6 GHZ	\$ 1,363.00	\$ 1,363.00	\$ -	Not Located

Finding 2: Surplus of Tangible Personal Property

Area out of compliance

BPB O-100: Procedure for Property and Inventory Control

Business Practice Bulletin O-100: Procedure for Property and Inventory Control

F. Surplus of Tangible Personal Property

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 surplus. The 3290A Surplus/Transfer Declaration Form must then be signed and dated by the property custodian and adequate explanation/documentation provided for surplus. The tangible personal property.

BPI NUMBER	ITEM DESCRIPTION	HISTORICAL COST	ALLOWABLE DEPRECIATION ^[1]	VALUE	MANAGEMENT RESPONSE
2 08LA02876	APPLE MACBOOK 2.4 GHZ	\$ 2,769.81	\$ 2,769.81	\$ -	Surplussed
3 06-06179	APPLE POWERBOOK G4 W/CD	\$ 1,100.00	\$ 1,100.00	\$ -	Surplussed
4 06-06182	APPLE POWERBOOK G4 W/CD	\$ 1,100.00	\$ 1,100.00	\$ -	Surplussed
5 05LD07405	DELL REFRESH LAPTOP	\$ 1,418.35	\$ 1,418.35	\$ -	Surplussed
6 05LA19014	APPLE REFRESH LAPTOP	\$ 1,395.62	\$ 1,395.62	\$ -	Surplussed
7 05LA19102	APPLE REFRESH LAPTOP	\$ 1,395.62	\$ 1,395.62	\$ -	Surplussed
8 05LA19132	APPLE REFRESH LAPTOP	\$ 1,395.62	\$ 1,395.62	\$ -	Surplussed
9 05-23065	APPLE DESKTOP EMAC	\$ 1,100.30	\$ 1,100.30	\$ -	Surplussed
10 04-20233	APPLE DESKTOP 17"	\$ 1,100.30	\$ 1,100.30	\$ -	Surplussed
11 04-20274	APPLE DESKTOP 17"	\$ 1,100.30	\$ 1,100.30	\$ -	Surplussed
12 04-20285	APPLE DESKTOP 17"	\$ 1,100.30	\$ 1,100.30	\$ -	Surplussed
13 04-20286	APPLE DESKTOP 17"	\$ 1,100.30	\$ 1,100.30	\$ -	Surplussed
14 04-20288	APPLE DESKTOP 17"	\$ 1,100.30	\$ 1,100.30	\$ -	Surplussed
15 04-20303	APPLE DESKTOP 17"	\$ 1,100.30	\$ 1,100.30	\$ -	Surplussed
16 02-08956	MAC IMAC COMPUTER	\$ 1,124.33	\$ 1,124.33	\$ -	Surplussed
17 02-07818	MAC IMAC COMPUTER	\$ 1,124.33	\$ 1,124.33	\$ -	Surplussed

Total Historical Cost of Property unaccounted for as of September 4, 2018 \$ 21,888.78

^[1]Total Accumulated Depreciation as of September 4, 2018 \$ 21,888.78

Net Value of Property considered unaccounted for as of September 4, 2018 \$ -

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

SECTION IV:
Locations with Exceptions

School Name: Indian Trace Elementary (3181)

Principal: Amy E. Winder

Address: 400 Indian Trace
Weston, FL 33326

Total Number of Items on Inventory	Historical Value of All Items on Inventory	Items Unaccounted for (IUAF)	Historical Cost (IUAF)		Total Net Value IUAF	Percentage of Dollars Cost IUAF
			Not Physically Accounted for	Out of Compliance		
785	\$615,910	6	\$3,980	\$7,978	\$0	1.9%

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

Finding 1

During the property and inventory audit at Indian Trace Elementary, a computer and projector could not be located. The Principal's response stated the items were unaccounted for. During the review of the property and inventory audit file, the school's semi-annual inventory results from December 11, 2017, and May 25, 2018, indicated that the school reconciled all assets. There was no indication that a computer and projector were missing. Had these discrepancies been identified before the start of the property and inventory audit, corrections could have been made, and this audit finding could have been avoided.

Recommendations

The Principal should ensure that a reconciliation of assets is conducted semi-annually in order to comply with policies and procedures. The Office of the Chief Auditor (OCA) recommends that the Principal verify that semi-annual inventories are being conducted accurately using current information. By performing the reconciliation routinely, the school can identify and correct on a timely basis any errors and discrepancies found. The Principal can improve accountability and the safeguarding of the District's assets by strengthening the internal controls at the school. Some examples of actions that can assist in strengthening internal controls are creating a Property and Inventory team and providing all staff with all procedures implemented by the Principal. Every effort should be made to locate missing items.

Finding 2

A television and two projectors were removed from the school during a surplus pickup on January 29, 2016. The 3290A Surplus Declaration Transfer form that was created by the school was incomplete. The BPI numbers that are required to be listed according to Business Practice Bulletin O-100: Procedure for Property and Inventory Control, were not entered on the form. The two items remained active records in the District's database until this current property and inventory audit. The omission of the BPI numbers on the form should have been identified during the semi-annual inventories and corrected by the school. During the review of the property and inventory audit file, the school's semi-annual inventory results from December 11, 2017, and May 25, 2018, indicated that the school reconciled all assets. There was no indication that the 3290A surplus Declaration Transfer Form mentioned above needed to be corrected. Had these discrepancies been identified before the start of the property and inventory audit, corrections could have been made, and this audit finding could have been avoided.

Recommendations

The Principal should conduct reconciliation of assets semi-annually in order to comply with District policies and procedures. The OCA recommends that the Principal verify that semi-annual inventories are being conducted accurately using current information. By performing the reconciliation routinely, the school can

Indian Trace Elementary (continued)

identify and correct on a timely basis any errors and discrepancies found. The OCA also recommends that the procedures for surplussing be reviewed with all staff members involved in the process to ensure that everyone is made aware of the requirements set forth by the policies and procedures.

Finding 3

According to the Principal, a computer was reported lost/stolen to local authorities on November 21, 2017; however, it was discovered missing by the school on October 2, 2017. The police report narrative stated that the computer was lost and was last seen in May 2017 during a subsequent inventory performed by the school. It also indicates that it is unclear if the laptop was misplaced in another area of the school.

Recommendations

The OCA recommends that all staff is made aware of the policies and procedures related to reporting theft or vandalism of tangible personal property. The OCA also recommends that the school implement new procedures for securing high-risk items such as laptop computers when not being utilized on a day-to-day basis. The school should always safeguard all equipment.

Additional Recommendations

The OCA recommends the Principal register designated Property and Inventory team member(s) for the Inventory Process & Tips training offered by the Information & Technology Department. In addition, the Principal should review Business Practice Bulletin O-100 Procedure for Property and Inventory Control with the school's Property and Inventory team and ensure compliance with all policies and procedures.

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 17, 2019

TO: Joris Jabouin, Chief Auditor
Office of the Chief Auditor

FROM: Valerie S. Wanza, Ph.D.
Chief School Performance and Accountability Officer

SUBJECT: **PROPERTY AND INVENTORY AUDIT RESPONSE – FISCAL YEAR
2018-2019 INDIAN TRACE ELEMENTARY SCHOOL**

This correspondence acknowledges receipt and review of the findings from the FY 2018-19 Property and Inventory Audit for Indian Trace Elementary School. In addition to the corrective measures that the principal will be implementing, 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 that a reconciliation of assets is conducted semi-annually in order to comply with policies and procedures and verify that all the information contained in the report is accurate.
- The cadre director will collaborate with the principal to ensure that the Property and Inventory Team meets on a regular basis to review their asset management process and findings.
- The cadre director will ensure that new procedures have been established and implemented for securing high-risk items such as laptop computers when they are not in use.
- The cadre director will include a review of the asset management protocols in her regularly scheduled site visits with the principal.

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/SRS:ac

cc: Sandra R. Shipman, School Performance & Accountability Director
Amy Winder, Principal, Indian Trace Elementary School
Ali Arcese, Manager, Property & Inventory Audits, Office of the Chief Auditor



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

INDIAN TRACE ELEMENTARY
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The School Board of
Broward County, Florida

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Nora Rupert

Robert W. Runcie
Superintendent of Schools

DATE: January 10, 2019

TO: Dr. Valerie Wanza
Chief, Office of School Performance and Accountability

FROM: Amy Winder 
Principal, Indian Trace Elementary School

SUBJECT: **RESPONSE AUDIT REPORT ON PROPERTY AND INVENTORY –
FISCAL YEAR 2017-2018**

A Property and Inventory Audit was completed at Indian Trace Elementary School in June, 2018. There were six items in the final report that were listed as being unaccounted for. However, three of the six items were accounted for. These three items were picked up by B-Stock on January 29, 2016. I accept responsibility for the clerical errors made in the B-Stock process as well as the monitoring process for the pick-up of these items. In the future I will work closely with the micro-tech to ensure that all clerical and monitoring procedures during the B-Stock process are followed by all parties. I will also ensure that the Property and Inventory Report is checked closely following any surplus of property.

After reviewing the Audit Report and discussing the findings with my Property and Inventory Team, the following corrective actions have been implemented:

- The principal has reviewed Business Practice Bulletin O-100 Procedures for Property and Inventory Control and shared the guidelines with the team.
- The principal will ensure that a complete reconciliation of assets is conducted semi-annually and will verify the accuracy of the information contained in the report.
- A Property and Inventory Team comprised of the principal, assistant principal, micro-tech, head custodian, team leaders and support staff has been created and will meet on a regular basis.
- The principal will register the assistant principal, micro-tech and one additional team member of the Property and Inventory Team for the Inventory Process and Tips training offered by the Information and Technology Department.
- The monthly school operational meeting now includes formal updates and procedural reviews from the Property and Inventory Team members.

- The assistant principal and micro-tech are the only personnel charged with generating paperwork required for the surplus process.
- The principal will verify all required Property and Inventory Surplus Forms prior to any property leaving the facility for B-Stock and/or other departments.
- The school staff has been trained on the policies and procedures related to reporting theft and/or vandalism of tangible property.
- New procedures have been established and will be implemented for securing high-risk items such as laptop computers when they are not being utilized on a day-to day basis.

Please know that I take my role as the custodian of the property and inventory very seriously and will ensure that all future Property and Inventory Audits are compliant according to the guidelines outlined in Business Practice Bulletin O-100 Procedures for Property and inventory Control.

School Name: Pines Lakes Elementary (2861)

Principal: Susan F. Sasse

Address: 10300 Johnson Street
Pembroke Pines, FL 33026

Total Number of Items on Inventory	Historical Value of All Items on Inventory	Items Unaccounted for (IUAF)	Historical Cost (IUAF)		Total Net Value IUAF	Percentage of Dollars Cost IUAF
			Not Physically Accounted for	Out of Compliance		
954	\$860,643	17	\$1,363	\$20,526	\$0	2.5%

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

Finding 1

During the property and inventory audit at Pines Lakes Elementary, a computer was not accounted for. The computer is considered missing. This computer should have been identified as missing during the semi-annual inventory conducted by the location.

Recommendation

The Principal should ensure that a reconciliation of assets is conducted semi-annually in order to comply with policies and procedures. The Office of the Chief Auditor (OCA) recommends that the Principal verify that semi-annual inventories are being conducted accurately using current information. By performing the reconciliation routinely, the school can identify and correct on a timely basis any errors and discrepancies found. The Principal can improve accountability and the safeguarding of the District's assets by strengthening the internal controls at the school. Some examples of actions that can assist in strengthening internal controls are creating a Property and Inventory team and providing all staff with all procedures implemented by the Principal. Every effort should be made to locate missing items.

Finding 2

A total of 16 computers were removed from the school during the SMART Surplus process in May 2016. The documents that were created by the school were incomplete. The BPI or serial numbers that are required to be listed according to Business Practice Bulletin O-100: Procedure for Property and Inventory Control, were not entered on the 3290A Surplus Declaration Transfer forms. When the forms arrived in Accounting and Financial Reporting Department, an accounting clerk attempted to complete the information that was missing from the documents, but he was not able to complete the task because the information listed on the 3290A Surplus Declarations Transfer forms was illegible. The items deemed for surplus should have been documented on the 3290A Surplus Declaration Transfer forms correctly.

As part of the SMART initiative, the school was provided the SMART Surplus process on October 12, 2015, during the initial SMART meeting. The procedures presented to the school included specific instructions to follow when completing and submitting the forms. Furthermore, time was being given to the school, after the surplus pickup was completed, to identify and correct any discrepancies found on the documents. The school had the opportunity to correct the errors/omission, but they did not fix them.

Pines Lakes Elementary (continued)

The Property and Inventory Controls procedures requires that all locations conduct two semi-annual inventories during the school year. The Principal was asked to provide the Office of the Chief Auditor supporting documentation showing that semi-annual inventories were being conducted. The Principal stated that no semi-annual inventories were conducted. Non-compliance with policies and procedures of fixed assets leaves the District vulnerable to undetected employee errors and theft or misuse of assets.

Recommendation

See Finding 1 Recommendation

In addition, the OCA recommends that the procedures for surplussing tangible personal property be reviewed with all staff members involved in the process to ensure that everyone is made aware of the requirements set forth by the policies and procedures. The OCA also recommends that the school's tracking database be updated as often as needed to ensure that all records within the school's database reflect the same information as the District's Master File Database.

Additional Recommendations

The OCA recommends the Principal register designated Property and Inventory team member(s) for the Inventory Process & Tips training offered by the Information & Technology Department. In addition, the Principal should review Business Practice Bulletin O-100 Procedure for Property and Inventory Control with the school's Property and Inventory team and ensure compliance with all policies and procedures.

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

November 13, 2018

TO: Joris Jabouin, Chief Auditor
Office of the Chief Auditor

FROM: Valerie S. Wanza, Ph.D. 
Chief School Performance & Accountability Officer

SUBJECT: **PROPERTY AND INVENTORY AUDIT RESPONSE – FISCAL YEAR 2018-19
PINES LAKES ELEMENTARY SCHOOL**

This correspondence acknowledges receipt and review of the findings from the FY 2018-19 property and inventory audit for Pines Lakes Elementary School. The Principal has been directed to take the following corrective measures, which will be monitored by the Office of School Performance & Accountability.

- The Principal will be required to conduct school-wide quarterly Property and Inventory reviews, that will include the PNI 811 Asset Reports and high-risk property items that are not included in the Master File databases during the months of December, March, June and September.
- The Principal will monitor the Microtech and school inventory team to ensure they review the PNI 811 Asset Report on a monthly basis and remove any items that are surplus, transferred, stolen, or lost. The cadre director will work with the principal to ensure the surplus process is followed, including the completion of Surplus Declaration Transfer Form 3290A with BPI number, serial number, model number, and equipment description for each item.
- The Principal will submit to the Office of School Performance & Accountability, quarterly Property and Inventory audits that will include the Discrepancy List Report. All discrepancies will be reported in writing to Capital Assets, Property and Inventory, and the Office of School Performance & Accountability immediately.
- The Principal, Microtech, and school inventory team will attend district-offered workshops regarding property inventory. The school will provide written verification of training to the Office of School Performance & Accountability upon completion.

The Principal has been apprised as to the seriousness of property control and understands that appropriate disciplinary measures will be applied and documented for repeat audit exceptions.

VSW/DH:bjw
Attachment

cc: David Hall, Director, Office of School Performance & Accountability
Susan F. Sasse, Principal, Pines Lakes Elementary School.



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

PINES LAKES ELEMENTARY SCHOOL
Susan F. Sasse, *Principal*
John Hoolihan, *Assistant Principal*
10300 Johnson Street
Pembroke Pines, FL 33026
Office: 754-323-7100 – Fax: 754-323-7140
<http://pineslakes.browardschools.com>

**The School Board of
Broward County, Florida**

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Dr. Rosalind Osgood

Robert W. Runcie
Superintendent of Schools

October 26, 2018

TO: Valerie S. Wanza, Ph.D.
Chief School Performance & Accountability Officer

FROM: Susan F. Sasse 
Principal, Pines Lakes Elementary School

SUBJECT: **RESPONSE TO FINAL AUDIT REPORT - APRIL 2018**

The following is a response to the report issued on October 22, 2018 from a Property and Inventory Audit conducted in March 2018 at Pines Lakes Elementary. The school will address the clerical/procedural errors to ensure accuracy of its property assets and of the surplus process as follows:

1. Designated members of the inventory team, the school Principal, Assistant Principal and Microtech will attend the training titled "Inventory Process and Tips" when it becomes available in My Learning Plan.
2. The principal will review the Business Practice Bulletin O-100 with all members of the Inventory Team to include the process for surplussing equipment and the importance of accuracy on the 3290 forms.
3. The school will continue to do quarterly and semi-annual inventory checks using the document in OSPA Central.
4. After a surplus of equipment, the Microtech, the designee for property and inventory, in collaboration with the inventory team and Principal and Assistant Principal, will pull a P&I report monthly for comparison to ensure items are removed in a timely manner. All discrepancies will be reported to Capital Assets on a monthly basis until the matter is corrected.

The results of our most recent internal inventory audit, conducted during the week of September 21 through September 28, 2018, reveal findings that indicate that despite formal training two years ago, the Microtech was not conducting a comprehensive internal inventory. These findings resulted in the inventory team starting an additional round of internal inventory starting the week of October 22, 2018.

The principal accepts responsibility for the clerical/procedural errors and for the unaccounted-for inventory items.

If you have any questions, please feel free to contact me at 754-323-7100.

cc: Dr. David Hall, Director, Office of School Performance & Accountability

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 in s. 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.

Rulemaking 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.

Rulemaking 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).

Rulemaking 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.

Rulemaking 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.

Rulemaking 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.

Rulemaking 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*)

**SUBJECT: PROCEDURE FOR PROPERTY &
INVENTORY CONTROL**

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.

BUSINESS PRACTICE BULLETIN

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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