

MEMORANDUM SRS-496

TO: School Board Members

FROM: Office of the Superintendent

DATE: April 29, 2009

SUBJECT: School Board Policy 3440, 3440.1 Review

BP 3440 & BP 3440.1

Currently the district has \$500 as the threshold for equipment requiring a fixed asset tag and to be inventoried annually. This was the federal requirement when this policy was adopted. Since that time the threshold has been raised to \$5000. Changing this policy would put the district threshold at the same level as auditing standards. Equipment less than \$5000 can still be put on an inventory list and can still have a fixed asset tag, but will not be required to have one. The decision will be at the site administrators or district office level depending on the source of funding. All technology equipment is currently being monitored and inventoried by the technology department. All other equipment is being monitored by the business office and inventoried by site administrators. This would not change.

AR 3311

To insure the district is following state statutes and getting the best possible pricing, guidelines for purchasing staff are necessary. The following guidelines were established using state statutes and other school district policies and adapted to fit our district's needs. This does not change board policy it establishes guidelines for purchasing procedures. For review and comments only, no action is necessary for ARs

RECOMMENDED ACTION: Motion to approve BP 3440 & BP 3440.1 revision in First Reading as presented.

INVENTORIES

The Superintendent or designee shall provide for the proper control and conservation of district property. He/she shall maintain an inventory for all items currently valued in excess of \$5000 or a lesser amount if required by state or federal grant requirements or regulations.

(cf. [3270](#) – Sale and Disposal of Books, Equipment and Supplies)

(cf. [3290](#) – Gifts, Grants and Bequests)

(cf. [3400](#) – Management of District Assets/ Accounts)

Legal Reference:

ALASKA STATUTES

14.11.011 – Grant applications

14.11.017 – School construction grant conditions

14.14.050 – Annual audit

ALASKA ADMINISTRATIVE CODE

4 AAC 06.120 – Accounting and audit manuals, charts of accounts, code descriptions

4 AAC 51.300 – Vocational facilities and equipment

CARL D. PERKINS VOCATIONAL EDUCATION ACT, Public Law 98-524, 99-159

34 CODE OF FEDERAL REGULATIONS, 74.132-140

Office of Management and Budget, Circular A – 102, Attachment N, Property Management Standards

Revised: 4/09

SOUTHWEST REGION SCHOOL DISTRICT

Adopted: November 2, 2006

Reviewed: April 29, 2009

Adopted:

INVENTORIES

A physical inventory shall be conducted annually. Copies of the inventory shall be kept at the district office and school site.

Each site administrator or designee shall maintain an inventory of all equipment. The following information must be recorded:

1. Description (with manufacturer's name and/or model number).
2. Identification and/or serial number.
3. Date and cost of acquisition (estimate if unknown).
4. Funding source (grant source and grant title).
5. Purpose for which the purchase was made.
6. Current use, condition and location.
7. Date on which inventory information was verified.

All equipment in excess of \$500⁰ shall be labeled with the district's name and an equipment or inventory control number.

The date and mode of disposal of all equipment removed from the inventory shall also be recorded.

Revised: 4/09

FIXED ASSETS CAPITALIZATION

Note: The following policy is based on the GFOA recommended practice, "Establishing Appropriate Capitalization Thresholds for Fixed Assets" (1997) and GASB Statement No. 34.

The Board recognizes the need to establish appropriate capitalization thresholds for its fixed assets to properly account for both the financial and economic resources of the District. The Superintendent or designee shall periodically review the capitalization threshold with the District's auditors to ensure compliance with federal and state mandates and recommendations. The capitalization threshold should be set at a level that will capture approximately 80% of all fixed assets.

The Board sets the capitalization amount at \$5,000 for purposes of capitalization of fixed assets. An asset is to have a purchase cost of \$5,000 or more and a useful life of at least two years following the date of acquisition to be treated as a capitalized asset.

Assets that fall below the capitalization threshold may still be significant for insurance, warranty service and obsolescence/replacement tracking purposes. Assets more than \$5,000 will be kept on a fixed asset inventory but will not be considered capitalized assets.

David Piazza 4/22/09 10:19 AM
Deleted: \$500 but less than

(cf. [3400](#) - Management of District/ Assets/ Accounts)
(cf. [3440](#) - Inventories)

Legal Reference:

- ALASKA STATUTES
- 14.11.011 - Grant Applications
- 14.11.017 - School Construction Grant Conditions
- 14.14.050 - Annual Audit

- ALASKA ADMINISTRATIVE CODE
- 4 AAC 06.120 - Accounting and audit manuals, charts of accounts, code descriptions
- 4 AAC 51.300 - Vocational facilities and equipment

Added 2/06
[Revised: 4/09](#)

SOUTHWEST REGION SCHOOL DISTRICT
Reviewed: December 14, 2006
Adopted: January 31, 2007
[Reviewed: April 29, 2009](#)
[Adopted:](#)

BIDS

To ensure that good value is received for funds expended, specifications shall be carefully designed and shall describe in detail the quality, delivery and service required.

For purchases up to \$5,000, no price comparisons necessary but strongly encouraged and justification may be requested by superintendent or designee.

For Purchases from \$5,000.01 up to \$25,000 requires at least three firms or persons to be contacted for a quotation or informal proposal. The solicitation and response will be can be verbal or in writing. The names of the firms or persons contacted will be included with the purchase request to the business office. Sole source justification can be provided. The award will be given to the vendor with the "best deal" for the district not necessarily best price.

For purchases from \$25,000.01 up to \$50,000 requires at least three firms or persons to be contacted for a quotation or informal proposal. The solicitation can be verbal or in writing with detailed specifications, the responses will be in writing. The names of the firms or persons contacted will be included with the purchase request to the business office. Sole source justification can be provided. The award will be given to the vendor with the "best deal" for the district not necessarily best price.

In excess of \$50,000 formal bid process when required by law is needed. At least three firms or persons shall be contacted for a quotation or proposal. The solicitations shall be made in writing and shall include the specifications, the award criteria, date the responses are due, and date of bid opening. Responses shall be in writing in sealed envelopes addressed to Director of Administrative Services. Exemptions from the formal bid process, but not competition, are textbooks, open market equipment, services where no competition exists, and professional or educational services. The names of the firms or persons contacted will be included with purchase request for exempt purchases.

All purchases over \$100,000 need to be approved by the board. They can be approved in the budget process with the adopted budget.

Under no condition shall bids be accepted after the advertised bid opening time, regardless of whether the bids are actually opened at that time.

When two or more identical bids are received, the Board may determine by lot which bid shall be accepted.

After being opened, all advertised bids shall be made available for review by all interested parties.

(cf. [1340](#) – Access to District Records)

Revised 9/93

Revised 4/09