

Office of College and Career Readiness
Guidelines for the Purchase, Inventory, and Disposition of Equipment
Revised July 1, 2012

These guidelines provide procedures for the purchase, inventory, and disposition of equipment for all programs within the Office of College and Career Readiness.

Purchase Guidelines

All equipment purchased with State/Federal funds must be in accordance with the regulations of the funding source. The equipment purchased must be reasonable and necessary to effectively operate the program.

Recipients will be required to maintain an inventory as per the Inventory Guidelines listed below and follow local inventory policies and procedures.

Inventory Control Guidelines

The following items are subject to the inventory management and control requirements: 1) equipment items with a per unit acquisition cost of \$1,000 or more, and 2) items with a per unit acquisition cost under \$1,000 which are considered attractive or easily pilfered. These “sensitive” items may include audio-visual equipment, PDAs, digital cameras, laptops, television sets, DVD players, VCRs, power tools, iPads, computers and accessories, etc.

The inventory management and control requirements are as follows:

1. Inventory must be current and available for review and audit.
2. The following information must be included in the recipient’s equipment inventory records:
 - A description of the equipment.
 - A serial number, model number, or other identification number.
 - The funding source and percentage under which the equipment was acquired.
 - The acquisition date and unit cost.
 - The present location, use, condition of the equipment, and date the information was reported.
 - All pertinent information on the final transfer, replacement, or disposition of the equipment (including the date of disposal and sale price of the equipment).
3. Inventory must be updated as equipment items are purged or new purchases are made.
4. Adequate safeguards must be in place to prevent loss, damage, or theft of the equipment.
5. Adequate maintenance procedures should be implemented to keep the equipment in good condition.
6. A physical inventory of equipment items must be taken and the results reconciled with the inventory records at least once every two years.

Disposition Guidelines

The disposition/transfer of equipment guidelines apply to any equipment item that is obsolete, not repairable, damaged, destroyed, lost, or stolen. These guidelines cover any equipment item purchased by a recipient with State/Federal funds.

Equipment Purchased With State Funds

When original or replacement equipment acquired with State funds is no longer needed for the original project or program, the equipment may be retained, sold or disposed, if it is not needed in any other

State sponsored project or program. The following are the procedures to eliminate any equipment item from the inventory:

1. Equipment items with an acquisition cost/current per unit fair market value of **less than \$5,000** may be retained, sold or disposed, with no further obligation to the State. The disposition of such items should be noted on the equipment inventory maintained by the recipient.
2. Equipment items with an acquisition cost of **\$5,000 or more**, follow the procedures below:
 - a. If the current per unit fair market value is less than \$5,000, see #1 above.
 - b. If the current per unit fair market value is \$5,000 or more, the equipment may be retained or sold and the State shall have a right to an amount calculated by multiplying the current market value or proceeds from the sale by the State's share of the equipment. However, the recipient is permitted to deduct and retain from the State's share \$500 or 10% of the sales proceeds, whichever is less, for the recipient's selling and handling expenses.
 - c. Forward a check made payable to the Treasurer, State of Missouri in the amount of the State's share to the Department of Elementary and Secondary Education. The amount is then returned to the General Revenue Fund of the State.
 - d. The disposition of such items should be so noted on the equipment inventory maintained by the recipient. The recipient should include the date of disposal and sales price or the method used to determine current fair market value if the recipient compensates the State.

Equipment Purchased With Federal Funds

When original or replacement equipment acquired with Federal funds is no longer needed for the original project or program, the equipment may be retained, sold or disposed, if it is not needed in any other Federal sponsored project or program. The following are the procedures to eliminate any equipment item from the inventory:

1. Equipment items with an acquisition cost/current per unit fair market value of **less than \$5,000** may be retained, sold or disposed, with no further obligation to the awarding Federal agency. The disposition of such items should be so noted on the equipment inventory maintained by the recipient.
2. Equipment items with an acquisition cost of **\$5,000 or more**, follow the procedures below:
 - a. If the current per unit fair market value is less than \$5,000, see #1 above.
 - b. If the current per unit fair market value is \$5,000 or more, the equipment may be retained or sold and the awarding Federal agency shall have a right to an amount calculated by multiplying the current market value or proceeds from the sale by the awarding Federal agency's share of the equipment. However, the recipient is permitted to deduct and retain from the Federal agency's share \$500 or 10% of the sales proceeds, whichever is less, for the recipient's selling and handling expenses.
 - c. Forward a check made payable to the Treasurer, State of Missouri in the amount of the Federal agency's share to the Department of Elementary and Secondary Education. The amount is then returned to the appropriate Federal grant.
 - d. The disposition of such items should be so noted on the equipment inventory maintained by the recipient. The recipient should include the date of disposal and sales price or the method used to determine current fair market value if the recipient compensates the awarding Federal agency.

Equipment Transfer Guidelines

When original or replacement equipment acquired under a grant (State/Federal) is no longer needed for the original project or program, the equipment may be transferred and used in other projects or programs currently or previously funded by the State or the awarding Federal agency. The transfer of such items should be noted on the equipment inventory maintained by the recipient.

Miscellaneous Guidelines

When acquiring replacement equipment, the recipient may use the equipment to be replaced as a trade in or sell the equipment and use the proceeds to offset the cost of the replacement equipment. If the equipment is sold, then the proceeds must be handled as stated earlier in the Disposition Guidelines. The trade in or sale of the equipment should be noted on the equipment inventory maintained by the recipient.

If an item of equipment has been damaged, destroyed, lost, or stolen, an official investigation by the proper authority should be conducted and fully documented. A copy of this report must be maintained by the recipient, and information should be noted on the equipment inventory regarding the damaged, destroyed, lost, or stolen property. A recipient is responsible for replacing destroyed, lost, or stolen equipment and repairing damaged equipment.

Definitions

Equipment is defined as tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$1,000 or more per unit.

Acquisition cost is defined as the net invoice unit price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment usable for the purpose for which it was acquired. Other charges such as the costs of installation, transportation, or taxes should be included in the unit acquisition cost.

Current fair market value is determined by obtaining two signed bids from potential purchasers or two appraisals from authorized appraisers for the purpose of disposing of or transferring equipment. When the equipment is being traded in for like or similar equipment used in the same program for the same purpose, the trade in value constitutes the current fair market value of the traded in equipment.