



Maryland State Department of Education
Division of Career and College Readiness
200 West Baltimore Street, 3rd Floor
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Procedures Manual
for
Career and Technology Education
Equipment Inventory

August 2018

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INTRODUCTION

The primary purpose of the Maryland State Department of Education (MSDE), Division of Career and College Readiness (DCCR) Equipment Inventory is to allow all recipients of Career and Technology Education (CTE) funds to accurately and efficiently report equipment purchases and dispositions.

DEFINITION

For purposes of this manual, equipment is defined as tangible property having a useful life of more than one year and an invoice acquisition cost of \$5,000.00 or more including any attachments, accessories or auxiliary apparatus necessary to make the equipment usable for the purpose for which it was intended.

Sensitive equipment¹ under \$5,000.00 may also be included under this equipment definition. Examples of sensitive equipment include: computers costing less than \$5,000, PDAs, digital cameras, and any digital electronic equipment. If you are not sure what falls under sensitive equipment please contact the MSDE/DCCR Inventory Control Officer. The inclusion or omission of sensitive equipment should be in accordance with local school system (LSS) or community college (CC) procedures.

Eligible equipment includes that which was purchased *wholly or in part* with CTE funds². Below you will find general guidance to aid in distinguishing between equipment and supplies:

Distinguishing Equipment from Supplies³

	<u>Yes</u>	<u>No</u>
Lasts more than one year?	↓	↓
Better to repair rather than to replace?	↓	↓
Independent unit rather than being incorporated into another item?	↓	↓
Exceeds minimum dollar value?	↓	↓
Sensitive equipment?	↓	↓
	Equipment	Supplies

(If your answer is 'yes', then the item is considered Equipment. If your answer is 'no', then the item is Supplies.)

¹ Per the Maryland Department of General Services Inventory Control Manual: "Sensitive Items' are capital or non-capital equipment items such as all computer equipment but not limited to laptops, notebook computers, palm pilots, recording devices, portable tools, hand radios, cameras and the like that are prone to theft and concealable in a handbag or briefcase. Equipment items that are too large for concealment such as typewriters, projectors, chain saws and the like, shall be considered sensitive items if there is a history of loss or theft..." and "...have a procurement cost of \$50 or more and a useful life of one year or more."

² CTE Funds include any monies received from the State or Federal government used to purchase equipment.

³ James Bliss, Ph. D. , Assistant Superintendent for Business Services; Grandview Consolidated School District - Grandview, MO and Stuart Grap, CPA, American Institute for Certified Public Accountants (AICPA)

GENERAL INFORMATION

All recipients of CTE funds must designate one staff member to serve as the primary contact regarding equipment inventory purchased with CTE funds. This person will be responsible for coordinating, signing, and reporting all equipment inventory information. Notify MSDE/DCCR whenever the responsible contact person changes.

All status changes for equipment are made on the Equipment Inventory Reports (MSDE-CTAL-213-15-P and MSDE-CTAL-213-15-D). These forms are used to report new equipment purchases, and to request permission for the trade, sale, transfer or disposal of equipment prior to taking these actions and whenever equipment is stolen or damaged.

The reference to State Categorical equipment on the Equipment Inventory Report-Disposition (MSDE/DCCR-213-15-D) is for disposition purposes only. Following the Bridge-to-Excellence in Public Education Act of 2002, the state aid set aside for career and technology education, known as State Categorical funding, became part of the comprehensive aid to school systems, along with other specified set aside funding amounts. School systems received state aid based on principles of adequacy and equity rather than specified categorical set asides.

Directions for the completion of each Equipment Inventory Report are outlined on page 2 of the form, and are also included in this manual. Once the purchase report is submitted and received, MSDE/DCCR will issue equipment inventory tags for the items. Upon receipt of these tags, please affix them to the appropriate piece of equipment as soon as possible.

To insure safe keeping, copies of equipment records should be stored in accordance with local school system/community college procedures. Local equipment records should match the equipment records on file with MSDE/DCCR. Discrepancies between the records could be noted as an audit finding.

A physical inventory must be taken at least once every two years to verify the existence, current utilization, continued need, and condition of equipment. Local records will verify compliance with this inventory provision. Failure to do so could result in an audit finding.

Equipment purchased with CTE funds is to be used and housed in the CTE program for which it was purchased. Equipment identified as CTE equipment but located elsewhere, should be ***returned*** to the appropriate CTE program as soon as possible.

Following an equipment audit, any findings requiring reimbursement to MSDE must be satisfied using non-state/federal funds.

SUBMISSION

Equipment Inventories must be submitted on the appropriate Equipment Inventory Report form (MSDE/DCCR-213-15-P for purchases, and MSDE/DCCR-213-15-D for disposals). Complete and submit purchase reports on a regular basis within 30 days of receipt of the purchased equipment, and an **annual purchase report** by September 30th (following the fiscal year completed on June 30th).

Complete and submit an **annual disposal report** by September 30th (following the fiscal year completed on June 30th).

Equipment Inventory Reports are uploaded to MSDE's DocuShare site. After signing the Equipment Inventory Report in [blue ink](#) and creating a color PDF of the completed form, upload the PDF to MSDE's DocuShare website using the Username and Password assigned to the LSS/CC. The word 'DOCUSHARE' on the form (within the pathway [DOCUSHARE>>Grantee Folder>>Equipment Inventory](#)) is an active link. Clicking on it will take you to the MSDE DocuShare site, or copy and paste the DocuShare URL <http://docushare.msde.state.md.us/> into your browser. After uploading the PDF Report into the Equipment Inventory folder in DocuShare, notify the MSDE/DCCR Inventory Control Officer via email.

Failure to submit an Equipment Inventory Report by the due dates could jeopardize future payments against funds until the report is received or the grant period ends, whichever comes first.

GENERAL FORM FIELD (COLUMN) DESCRIPTIONS

Item Description/Manufacturer

Identify the manufacturer and the product name of the equipment (followed by a very brief description of the equipment if the name is an insufficient descriptor). For equipment disposals, this description should be taken from the Item Description/Manufacturer listed on the **original** Equipment Inventory Report submitted at the time the equipment was purchased.

Serial

Every product has a manufacturer's serial number. Copy it into this field. If for an equipment disposal, this number should be taken from the Serial # field listed on the **original** Equipment Inventory Report submitted at the time the equipment was purchased.

MSDE Equipment Tag

MSDE provides you with numbered inventory tags that must be affixed on equipment purchased with Perkins funds. For purchases, leave this field blank when submitting the form, then copy the MSDE tag numbers onto your original filed/saved form when you receive them from MSDE. For equipment disposals, copy the MSDE tag number affixed to the identified piece of equipment targeted for disposal. (Remember that lease or lease-to-purchase equipment are not issued tags until ownership is effective.)

Cost

This is the actual cost of the listed equipment; do not include shipping and handling.

Fiscal Year of Purchase

Insert the fiscal year in which the equipment ***purchase*** was made. For inventory reporting purposes, the fiscal year begins on July 1st and ends on June 30th.

School

This is the unique number assigned to each school or facility location within an LSS or CC (most CC only have one CC number which would be listed in the field above the table). This number identifies the facility or location at which the equipment will be or was housed.

Program CIP

Every program of study has an associated CIP (Classification of Instructional Programs) code. List the CIP for the program in which this equipment will be used.

EQUIPMENT PURCHASE/ACQUISITION

Equipment Inventory Report - Purchases Submission

- Within 30 days of receipt of the purchased equipment, upload a color PDF of the completed and signed (**blue ink**) Equipment Inventory Report - Purchases (MSDE/DCCR-213-15-P).
- Include all items of equipment costing \$5,000.00 or more, including equipment which is being leased, or leased with an option to purchase, and any items designated as Sensitive Equipment.
- All recipients must submit a final Equipment Inventory Report – Purchases form by September 30th for every fiscal year, even if you did not acquire equipment with CTE funds within that fiscal year, or if you did not acquire additional equipment after your last Purchase Report was submitted. If there are no purchases to report, simply submit the signed Equipment Inventory Report – Purchases and check the last row in the table indicating that ***no equipment was purchased*** for that year or since the last report was submitted. Then sign in **blue ink** and date the form.
- Acquisition Categories/Methods
 - Purchase
 - Donated
 - Transfer (Existing equipment purchased with Perkins funds transferred from one CTE program of study to another)
 - Lease or Lease-to-Purchase

Inventory Tags Issued

- Upon receipt of the uploaded color Equipment Inventory Report – Purchases PDF, the MSDE/DCCR Inventory Control Officer will issue you numbered MSDE inventory tags for each item of equipment.
- An acknowledgement receipt will be issued along with the equipment tags. This receipt is to be signed and returned to the MSDE/DCCR Inventory Control Officer.
- Lease or lease-to-purchase equipment will not be issued tags until ownership is effective.

- Each equipment tag must be affixed on the corresponding piece of equipment as listed on the Equipment Inventory Report - Purchases. It is the responsibility of the local recipient to affix tags immediately upon receipt, and copy the tag numbers onto the recipient's original Equipment Inventory Report – Purchases form.

EQUIPMENT DISPOSITION

Disposition procedures vary depending upon the method of disposition. For any means of disposition, a completed Equipment Inventory Report - Disposition form is required (MSDE/DCCR-213-15-D). In general it should be noted that:

- Equipment which is to be transferred, sold, traded or discarded because of obsolescence requires the **prior** permission of MSDE/DCCR.
- Any equipment disposed of without such prior permission will be subject to a surcharge of fair market value for non-compliance.
- When a program is terminated, the equipment assigned to that program shall be disposed of properly within one year according to the procedures outlined herein.

Equipment Inventory Report - Disposition Submission

- By September 30th of each year, upload a completed Equipment Inventory Report – Disposition (MSDE/DCCR-213-15-D) for all equipment items disposed of within the fiscal year that just ended on June 30th. If you did not dispose of any equipment purchased with CTE funds within any fiscal year, simply submit the signed Equipment Inventory Report – Disposition and check the last row in the table indicating that **no equipment was disposed of** for that year (or since the last report was submitted). Then sign in **blue ink** and date the form.
- Include all items of equipment originally reported as being purchased or acquired with CTE funds.

Disposition categories and procedures

Traded (Drop-down menu code 01)

- MSDE/DCCR permission must be requested and granted prior to trading any equipment purchased with CTE funds.
- Traded equipment includes manufacturer trade-ins of old equipment for upgraded, new, or different equipment, whether that includes an additional cash payment or not.
- Equipment to be traded is listed on the Equipment Inventory Report – Disposition form with drop-down menu code 01.
- Attach a statement to the report form explaining the transaction.
- Upon receipt of permission to trade equipment, the numbered tag(s) should be removed and returned to MSDE/DCCR, if possible. If this is not possible, please notify MSDE by e-mail, so that we can best advise how to handle the matter.

Sold (Drop-down menu code 02)

- MSDE/DCCR permission must be requested and granted prior to the sale of any equipment purchased with CTE funds.
- Before approval to sell equipment is granted by MSDE/DCCR, all other local recipients should be apprised of the equipment's availability. This can be done by contacting CTE Local Directors/Community College Perkins Contacts and notifying them of equipment availability. If the equipment can be used in other eligible programs, this should have priority over public sale.
- Once permission to sell the equipment has been received, the sale must provide for competitive bidding and result in the highest possible return. Depending upon the equipment to be sold, a threshold or floor may be established for minimum bids. The sale should take place for no less than the fair market value of the equipment. Following the sale, forward to MSDE/DCCR the following information:
 - Advertising documentation
 - Names of bidders, provide written documentation of bidders
 - Name of the winning bidder
 - Amount of proceeds from the sale
- Upon receiving this information, a determination of reimbursement obligation for net funds (if any) will be made by MSDE/DCCR. Proceeds from the sale of equipment should be placed into a restricted account and used solely for the purchase of equipment for CTE programs. Such purchases will then be reported as per these guidelines.
- Equipment to be sold is listed on the Equipment Inventory Report – Disposition form with drop-down menu code 02.
- Attach to the form an explanation of why the recipient no longer has a need for the equipment.
- Upon receipt of permission to sell equipment, the numbered tag(s) should be removed and returned to MSDE/DCCR, if possible. If this is not possible, please notify MSDE by e-mail, so that we can best advise how to handle the matter.

Stolen (Drop-down menu code 03)

- Upon recognition of any loss or stolen equipment, an investigation and fully documented write-up should take place followed by a police report.
- A signed police report is required, as well as a statement explaining what happened including date and time if not already in the police report.
- Attach the signed police report to the Equipment Inventory Report – Disposition form.
- Equipment that was stolen is listed on the Equipment Inventory Report – Disposition form with drop-down menu code 03.

Transferred - Active (Drop-down menu code 04)

- MSDE/DCCR permission must be requested and granted prior to transferring any equipment purchased with CTE funds.
- Equipment to be transferred is listed on the Equipment Inventory Report – Disposition form with drop-down menu code 04.
- Unless otherwise authorized by MSDE/DCCR, equipment may only be transferred to an approved CTE program.
- The Equipment Inventory Report – Disposition (MSDE/DCCR-213-15-D) form should clearly indicate the school/college building and program from which the equipment is being transferred, and the school/college building and program to which the equipment is being transferred.

- Attach to the form an explanation behind the transfer.

Vandalized-Fire-Flood (Drop-down menu code 05)

- MSDE/DCCR permission must be requested and granted prior to disposing of any damaged equipment purchased with CTE funds.
- Damaged equipment disposed under this category is listed on the Equipment Inventory Report – Disposition form with drop-down menu code 05.
- Attach both a statement of explanation and a police/fire/insurance report as appropriate.
- For equipment which is determined to be beyond repair yet still usable, a determination should be made to whether to sell, trade, transfer or discard in accordance with procedures herein.
- Upon receipt of permission to dispose of the damaged equipment, the numbered tag(s) should be removed and returned to MSDE/DCCR, if possible. If this is not possible, please notify MSDE by e-mail, so that we can best advise how to handle the matter.

Discarded as Obsolete (Drop-down menu code 06)

- MSDE/DCCR permission must be requested and granted prior to disposing of any equipment purchased with CTE funds.
- Discarded (obsolete) equipment is listed on the Equipment Inventory Report – Disposition form with drop-down menu code 06.
- For items which no longer have use in the program, request should be made for sale or transfer as described above.
- Items which are determined to have no value as based upon condition, years of service and use should be discarded.
- Attach a statement which describes the condition and use value of the equipment.
- Upon receipt of permission to dispose of the equipment, the numbered tag(s) should be removed and returned to MSDE/DCCR, if possible. If this is not possible, please notify MSDE by email, so that we can best advise how to handle the matter.

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