

Procedure Manual for Career and Technical Education Equipment Inventory



Career and Technical Education, Education that Works.



Maryland State Department of Education
Division of Career and College Readiness
[Maryland Public Schools](http://www.marylandpublicschools.org)
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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 Manual is to describe the process that must be followed by recipients of Career and Technical Education (CTE) funds to accurately and efficiently report equipment purchases and dispositions.

DEFINITION

For purposes of this manual, the federal definition of equipment is used to identify equipment 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. It is understood that local school systems and community colleges may have a lower threshold for the identification of equipment. If that is the case, those items identified by the local entity under a lower threshold should be included in the reporting processes.

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. The inclusion or omission of sensitive equipment should be in accordance with local school system or community college procedures.

Eligible equipment includes equipment that was purchased *wholly or in part* with CTE funds². Below is 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 Report Forms (MSDE-DCCR-213-15-P and MSDE-DCCR-213-15-D). These forms are used to report new equipment purchases, and to request permission for the trade, sale, transfer or dispose of equipment. Any method of equipment disposition, including loss due to theft or damage, must receive prior approval from MSDE.

The reference to State Funds on the Equipment Inventory Report Forms (both the purchase and disposition forms) is as follows:

- **State Categorical Funds:** Equipment purchased with State Categorical Funds will only be listed on the Equipment Disposition Form. These funds are no longer available to school systems following the Bridge-to-Excellence in Public Education Act of 2002 when the state aid set aside for career and technical education, known as State Categorical funding, became part of the comprehensive aid to school systems, along with other specified set aside funding amounts.
- **Career and Technical Education Innovation Grant Funds:** Equipment purchased with these funds must be included on the Equipment Purchase Form. These funds are authorized under Chapter 361 of the Acts of 2018 – Commission on Innovation and Excellence.

To ensure safe keeping, copies of equipment records must be stored in accordance with local school system/community college procedures. Local equipment records must 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 years⁴ to verify the existence, current utilization, continued need, and condition of equipment. 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. Local records will verify compliance with this inventory provision. Failure to do so could result in an audit finding. Furthermore documentation of the sub recipient's internal inventory system that tracks/identifies items purchased with Perkins and State CTE funds is part of the Maryland Consolidated Perkins & Methods of Administration (MOA) Monitoring process.

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

⁴ 42 CFR 200.313 Equipment – Education Department General Administrative Regulations; Uniform Grant Guidance

SUBMISSION OF INVENTORY REPORTS

Equipment Inventory Reports 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) by September 30th of the reporting year. Both forms can be downloaded from the [CTE Forms Section](#) of the MSDE website.

Annual Equipment Purchase/Acquisition Report

An Annual Equipment Purchase/Acquisition Report form must be submitted by September 30th (following the fiscal year completed on June 30th) of each reporting year. Please note an Annual Equipment Purchase/Acquisition Report form must be submitted by the September 30th due date even if no equipment was purchased with Perkins funds in a given fiscal year. The purchase report form must be signed and submitted noting that no equipment purchase was made.

Steps to complete and submit the Annual Equipment Purchase/Acquisition Report form:

1. Complete the [Equipment Purchase Form \(MSDE-DCCR 213-15-P\)](#) for all equipment purchased with federal or state CTE funds for the reporting year. See this manual for a description of each column on the form.
2. List 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.
3. Sign the form in blue ink (electronic signatures are acceptable).
4. Upload the Equipment Purchase Form (MSDE-DCCR 213-15-P) to your school system or college Equipment Inventory Folder in [DocuShare](#).
5. Notify your Regional Grants Specialist that the form has been uploaded to DocuShare.
6. MSDE will notify the CTE Director that the annual report has been received and logged.

Annual Equipment Disposition Report

An Annual Equipment Disposition Report form must be submitted by September 30th (following the fiscal year completed on June 30th). Please note an annual report must be submitted by the September 30th due date even if no equipment was disposed of in the reporting year.

Steps to complete and submit the Annual Equipment Disposition Report form:

1. Complete the [Equipment Disposition Form \(MSDE-DCCR 213-15-D\)](#) for all equipment disposed of for the reporting year that was purchased with federal or state CTE funds. **See page 8** of this manual for a description of each column on the form.
 2. List all equipment which is to be transferred, sold, traded or discarded because of obsolescence. Note this requires the *prior* permission of MSDE/DCCR.
 3. Sign the form in blue ink (electronic signatures are acceptable).
 4. Upload the Equipment Disposition Form (MSDE-DCCR 213-15-D) to your school system or college Equipment Inventory Folder in [DocuShare](#).
 5. Notify your Regional Grants Specialist that the form has been uploaded to DocuShare.
 6. MSDE will notify the CTE Director that the annual report has been received and logged.
- NOTE: 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.

MSDE/DCCR Inventory Process Contacts

Title	Name	Contact Info
Director of Finance and Legislation for Career Programs	Nina Roa	nina.roa@maryland.gov 410-767-1904
Coordinator of Finance and Legislation for Career Programs, and Career Programs and Grants Specialist	Traci Verzi	traci.verzi@maryland.gov 410-767-0165
Career Programs and Grants Specialist	Dean Kendall	dean.kendall1@maryland.gov 410-767-0164

GENERAL FORM FIELD (COLUMN) DESCRIPTIONS ON THE INVENTORY REPORT FORMS

State/Federal Funds

Using the drop-down menu, identify the source of the funds used to purchase this item (State or Federal). State funds may be CTE Innovation Funds for purchased items or disposed of items, and CTE Innovation Funds or State Categorical for disposed of items.

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 it is 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.

Sub-Recipient Equipment Tag

List the inventory number assigned to the piece of equipment from the local inventory tag. Affix inventory tags to the corresponding piece of equipment.

For equipment disposals, copy the inventory tag number (for items being disposed of that were purchased prior to FY 2020, this is the number on the MSDE provided inventory tag) 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 (only on the Purchasing Form)

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

School

This is the unique number assigned to each school or facility location within a local school system or community college (most colleges only have one college number that 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.

Acquisition Method (only on the Purchase Form)

- a. Purchase: Self-explanatory
- b. Donated: Self-explanatory
- c. Transfer: Existing equipment purchased with Perkins funds has been transferred from one CTE program of study to another.
- d. Lease or Lease-to-Purchase: Self-explanatory

Program CIP

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

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.

Disposition categories and procedures (only on the Disposition Form)

In general, equipment which is to be transferred, sold, traded, or discarded because of obsolescence requires the **prior permission** of the Division of Career and College Readiness.

Traded (Drop-down menu code 01)

- 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), if issued by MSDE, should be removed and returned to the Division of Career and College Readiness, 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)

- Before approval to sell equipment is granted by 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 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 DCCR if applicable and 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)

- 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)

- 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)

- 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 DCCR, if possible. If this is not possible, please notify the DCCR Inventory Control Officer by email, so that we can best advise how to handle the matter.