



Book Policy Manual

Section Vol. 34 No. 1 for Board Approval

Title Revised Policy - Vol. 34, No. 1 - November 2021 - PROPERTY INVENTORY

Code po7450

Status

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7450 - **PROPERTY INVENTORY**

As steward of the Cooperative's property, the Board of Managers recognizes that efficient management and full replacement upon loss requires accurate inventory and properly maintained property records.

The Board shall ~~[] conduct a complete inventory~~ ☒ maintain a continuous inventory of all Cooperative-owned equipment ~~[] and supplies [END OF OPTION]~~ and the results reconciled with the property records at least once ~~(-) annually-~~ ☒ every two (2) years. **[specify number; Federal regulations require at least once every two (2) years] (-) at such intervals as will coincide with property insurance renewal. (-) and Generally Accepted Accounting Principles (G.A.A.P.) reporting requirements. [END OF OPTION]**

For purposes of this policy 'equipment' shall mean a unit of furniture or furnishings, an instrument, a machine, an apparatus, or a set of articles which retains its shape and appearance with use, is nonexpendable, costs at least \$ 5,000 ~~[] to replace~~ ☒ as a single unit **[END OF OPTION]** and does not lose its identity when incorporated into a more complex unit. When defining supplies for inventory purposes, no items will be counted whose total value is less than \$ 5,000. **[DRAFTING NOTE: The Federal regulation (2 CFR 200.439) allows for a \$5,000 threshold. Capital expenditures with a unit cost of \$5,000 or more require prior written approval of the Federal awarding agency or pass-through entity.]**

It shall be the duty of the ~~[] Director [] Business Manager~~ ☒ Facilities Director and Technology Coordinator to ensure that inventories are recorded systematically and accurately and property records of equipment are updated and adjusted annually by reference to purchase orders and withdrawal reports.

~~[] Each building principal/supervisor shall conduct an annual spot check inventory of major items of equipment to determine loss, mislocation, or depreciation; any major loss shall be reported to the Board.~~

~~[] Property records of consumable supplies shall be maintained on a continuous inventory basis.~~

☒ The Facilities Director and Technology Coordinator shall maintain a system of property records which shall show, as appropriate to the item recorded, ☒ description and identification, ☒ manufacturer, ☒ year of purchase, ☒ initial cost, ☒ location, ~~(-) condition and depreciation, (-) evaluation in conformity with insurance requirements. [END OF OPTION]~~

Equipment acquired under a Federal award will vest upon acquisition to the Cooperative, subject to the following conditions:

- A. The equipment shall be used for the authorized purposes of the award project during the period of performance or until the equipment is no longer needed for the purposes of the project.
- B. The equipment shall not be encumbered without the approval of the Federal awarding agency or the pass-through entity.
- C. The equipment may be only used and disposed of in accordance with the provisions of the Federal awarding agency or the pass-through entity and Policy 7310 and AG 7310.
- D. Property records shall be maintained that include a description of the equipment, a serial number or other identification number, the source of funding for the equipment (including the Federal Award Identification Number (FAIN)), title entity, acquisition date, cost of the equipment, percentage of Federal participation in the project costs for the award under which the equipment was acquired, the location, use, and condition of the equipment, and ultimate disposition data, including date of disposal and sale price of the equipment.
- E. A physical inventory of the property must be taken and results reconciled with property records at least once every two (2) years.
- F. A control system shall be developed to provide adequate safeguards to prevent loss, damage, or theft of the property. Any such loss, damage, or theft shall be investigated.
- G. Adequate maintenance procedures shall be implemented to keep the property in good condition.
- H. Proper sales procedures shall be established to ensure the highest possible return, in the event the Cooperative is authorized or required to sell the equipment/property.
- I. When original or replacement equipment acquired under a Federal award is no longer needed for the original project/program or for activities currently or previously supported by a Federal awarding agency, and except as otherwise provided by Federal statutes, regulations, or Federal awarding agency disposition instructions, the Cooperative shall request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment shall be made in accordance with the provisions of 2 C.F.R. 200.313.

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2 C.F.R. 200.313