



# **21<sup>ST</sup> CENTURY COMMUNITY LEARNING CENTERS PROGRAM**

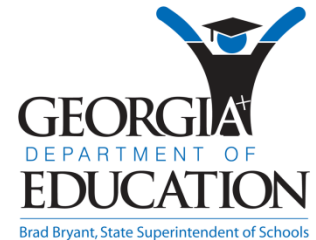
## **INVENTORY CONTROLS**

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Brad Bryant, State Superintendent of Schools  
"We will lead the nation in improving student achievement."



# GADOE'S STRATEGIC GOALS

**Goal 1** Increase high school graduation rate, decrease drop out rate, and increase post-secondary enrollment rate.

Status



**Goal 2** Strengthen teacher quality, recruitment, and retention.

Status



**Goal 3** Improve workforce readiness skills.

Status



**Goal 4** Develop strong education leaders, particularly at the building level.

Status



**Goal 5** Improve the SAT, ACT, and the achievement scores of Georgia students.

Status



**Goal 6** Make policies that ensure maximum academic and financial accountability.

Status



# INVENTORY CONTROLS

## Why be concerned about inventory controls?

- Inventory acquired with Federal funds
- EDGAR - 74.34 Equipment (Non-LEA's)
- EDGAR - 80.32 Equipment (LEA's)
  - <http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html>
- Good stewards of “your” money

# INVENTORY CONTROLS PROGRAM SPECIFIC ASSURANCES

27. The sub-grantee understands that the control of 21<sup>st</sup> CCLC grant funds and title to property acquired with 21<sup>st</sup> CCLC grant funds will be in a public agency or in a nonprofit entity, institution, organization, or Indian tribe, if the law authorizing the 21<sup>st</sup> CCLC program provides for assistance to those entities; and the public agency, nonprofit entity, institution, or organization, or Indian tribe will administer the funds and property to the extent required by the authorizing statutes.
28. The property (e.g., computers, equipment, classroom desks, tables, and pilferable items) purchased with the 21<sup>st</sup> CCLC grant funds must be managed in accordance with EDGAR section 74.34 through 74.37 (for non-profit organizations and IHE's) and with EDGAR section 80.32 and 80.33 (for school districts).

# WHAT SHOULD BE INVENTORIED?

- Any articles of nonexpendable, tangible property having a useful life of one year or more, if purchased with 21<sup>st</sup> CCLC funds
- Examples:
  - Filing cabinets (& other furniture items)
  - Calculators
  - Educational board games
  - Basketball equipment
  - Laptops
  - Projectors

# EQUIPMENT, MATERIALS, AND SUPPLIES

- How should inventory be used?
  - Must be NECESSARY to carry out a Federal award – allowable
  - Charged at actual prices, net of applicable credits
  - Could be donated to Federal program – without charge to Federal program
  - Capital expenditures – unallowable
  - For personal use – unallowable

# INVENTORY RECORDING

- **Inventory records shall be maintained accurately and include:**
  - Inventory number & Fund year
  - Description of the equipment
  - Manufacturer's serial number, model number and identification number
  - Source of equipment (vendor)
  - Acquisition date
  - Percentage of Federal participation in the cost of equipment, if not 100% 21<sup>st</sup> CCLC
  - Location of the equipment
  - Disposition data, including date of disposal, sale price or method used to determine current fair market value where recipient compensates the Federal awarding agency for its share

# INVENTORY

## Inventory Requirements:

- A physical inventory of the property must be taken and the results reconciled with the property records
- How often? – at least once every two years.
- A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
- Adequate maintenance procedures must be developed to keep the property in good condition.
- If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return
- In accordance with EDGAR 34 CFR 80.32 or 74.34



# INVENTORY RECORDING

## INTERNAL CONTROLS

CONTROL ENVIRONMENT (CE), RISK ASSESSMENT (RA),  
CONTROL ACTIVITY (CA)

- Management ensures sufficient accountability exist to discourage temptation of misuse of property – (CE)
- Procedures exist to identify risk of misappropriation or improper disposition of property (RA)
- Management understands requirements and operations sufficiently to identify potential areas of non-compliance (e.g. budget constraints, decentralized locations, transfers of assets between departments, inadequate delegation and segregation of duties) (RA)
- Accurate, sufficient records are maintained on all acquisitions and dispositions (CA)
- Property Tags are placed on equipment (CA)
- Procedures established for procurement through the accounting life cycle (CA)
- Policies and procedures in place for responsibilities of recordkeeping and disposition (CA)

# INVENTORY RECORDING

## INTERNAL CONTROLS

### INFORMATION & COMMUNICATION (IC), MONITORING (M)

- Accounting system provides for separate identification of property (IC)
- Technology policies and procedures are in place to ensure appropriate security and use (IC)
- Channel of communication exists for persons to report suspected improprieties (IC)
- Program and staff are provided will applicable training, requirements and guidelines (IC)
- Management reviews the results of periodic inventories and follows up on discrepancies (M)
- Management reviews disposition of property; ensures appropriate valuation and reimbursement where necessary (M)

# DISPOSITION OF INVENTORY

- Equipment shall be used in the 21<sup>st</sup> CCLC program as long as needed, until no longer needed
- When grant ends or terminates, inventory may be either:
  - Used in the continuation of the purchasing 21<sup>st</sup> CCLC program which is no longer Federally funded
  - Used on other Federally-funded (or formerly Federally funded) programs by the sub-grantee
  - Used in other Federally-funded (or formerly Federally funded) programs by a different or former sub-grantee
- Federal regulations, 34 CFR 80.32 or 74.34 provide guidance for disposition policy.
- GaDOE will provide clear instructions at closeout

# SAMPLE INVENTORY LIST

## ABC 21<sup>ST</sup> CENTURY COMMUNITY LEARNING CENTERS PROGRAM EQUIPMENT INVENTORY

EQUIPMENT INVENTORY LIST FOR ABC SCHOOL												
Equipment Purchased with 21st CCLC Funds												
Fund Year	Category	Inventory Control #	Asset or serial number	Item description (make and model)	Location	Current Location	Vendor	Cost of Equipemtn	Invoice Date	Invoice #	Check #	Notes
2009	Computer	09-00001	S-1234	Dell Optima 515	ABC Rm 1		CDX	950	10/5/2009	8910	800012	Had to replace switch
2009	Computer	09-00002	S-1256	Dell Optima 515	ABC Rm 2	ABC Rm 12	CDX	950	10/5/2009	8910	800012	
2010	Computer	10-00003	FX-156	Server	ABC-Rm 189		BXC	5500	9/15/2010	12863	801150	Server replaces server #FX-157

# SAMPLE INVENTORY LABEL

ABC 21st Century Community Learning Center  
Dell Optima 515  
09-00001



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