



Inventory Control Procedures

FMp 2.142

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Standard Operating Procedure Outline

<i>Category:</i>	Fiscal Management	<i>Department:</i>	Inventory Control		
<i>Procedure:</i>	Inventory Control Procedures				
<i>Policy Reference # :</i>	FM 2.129	<i>Version:</i>	2.0	<i>Date Revised:</i>	October 23, 2016

Operational Objective(s)

To explain the process to track and control MNPS' assets. Inventory assets are defined as all non-consumable items with an initial value in excess of \$100 AND a useful life in excess of one year.

Procedure

A. Physical Inventory Process

1. Physical inventory is conducted annually. Inventory advisors oversee the inventory reconciliation process for schools and departments. Warehouse employees are responsible for tagging and entering all MNPS assets into Filemaker Pro. The inventory lead for each department/school is responsible for conducting the inventory for each department/school. The physical inventory can be conducted through by two methods: inventory reconciliation sheets (generated by Filemaker Pro) can be distributed to each inventory lead for reconciliation, or the inventory reconciliation can be conducted by using the barcode scanner to record the physical inventory result directly into Filemaker Pro.
2. Each location is allowed three weeks to complete the physical inventory. During the third week, the inventory advisors help with reconciliation and any research that may need to be done for missing assets.
3. At the conclusion of reconciliation, the inventory reconciliation sheet is presented to the principal/department head for signature.

B. Stolen Equipment

1. In the event that equipment is stolen, local law enforcement shall be contacted within 24 hours of notification that the item was stolen. A report will be completed and kept as documentation.
2. This report will be submitted to the appropriate department head or principal along with supporting documents. The principal or department head will keep these records on file.
3. The Filemaker Pro record will be updated to indicate that the item was stolen.
4. The asset tag numbers from stolen/lost computers that are configured with Computrace are given to the MNPS IT Resource Specialist. The service tag numbers for those devices are turned over to an agent with Computrace, who will in turn monitor the network for activity on those devices. If any activity is detected, the Computrace agent will work with the Metro Police department to recover the device.

C. Disposal of Trackable Assets

1. When an item is no longer needed for its originally intended purpose, the Central Services and Inventory Department is to be notified. In the case of technology items, the Central Services and Inventory Department shall collaborate with the Technology and Information Services Department in determining appropriate disposition. The funding source and data sensitivity must be provided by the school/department.
2. All surplus items will be auctioned for sale on E-Bid, the Metro Government Surplus Property Auction website, or sent to an approved Metro Government recycling vendor.

D. Disposal of Federal Program Inventory (EDGAR 200.313(e))

1. When equipment purchased with federal funds is moved or disposed of, the process is to be approved and overseen by the Executive Director of Federal Programs and Grants, or his/her designee. The Executive Director of Federal Programs and Grants must refer to the disposition instructions from the federal awarding agency. Otherwise, disposition may be done in accordance with the procedures below.
2. When disposing of items purchased with federal funds, a move order has to be generated in Filemaker Pro.
3. Equipment may be disposed of with no obligation to the federal government if **ALL** of the following criteria are met:
 - 3.1 Equipment is no longer needed in the current program.
 - 3.2 Equipment is not needed in other programs currently or previously funded by a federal agency.
 - 3.3 If the equipment is still not needed, then it can be offered to any school where it can be useful, provided that D5 is complied with when appropriate.
 - 3.4 Equipment has a current per-unit fair market value of less than \$5,000.
4. If the equipment's fair market value is more than \$5000, a cover letter must be submitted with supporting documentation by the Office of Federal Programs and Grants to the federal awarding agency.
 - 4.1 If the items are to be sold after approval of the disposition, the federal share of the equipment must be repaid to the federal awarding agency. Any other proceeds must be used to support the program for which the equipment was bought. The federal share is calculated by multiplying the current market value or proceeds from sale by the federal awarding agency's percentage of participation in the cost of the original purchase.

- 4.2 Documentation of such sale and use for the program must be maintained by the Office of Budget and Management Reporting.
- 4.3 Items that have been declared surplus by any federal program (using the criteria above) may be reallocated if needed to non-federally funded programs within MNPS.
- 4.4 Regardless of the sale channel, items that were originally purchased using federal funds (even if they were temporarily used by a non-federal program- after being declared surplus as outlined below) must be sold separately from items procured using local funds.
- 4.5 Items that are still usable will be auctioned to the highest bidder via the Metro Government operated E-bid on-line system.
- 4.6 Items that are clearly unusable, in whole or in part, for their original purpose will be sold to the current Recycling Vendor utilized by MNPS.
5. Regardless of the value of the equipment, its disposal must be indicated in the Filemaker Pro.

E. Inventory Tracking

1. The transfer of trackable assets between locations should be conducted by a move order that is generated in the Filemaker Pro.
2. The sending location is responsible for creating the move order for the items that are moving to another location.
3. The receiving location is responsible for verifying and completing the move order by transferring the items into the exact location where the item is assigned to reside.

F. Repair

1. If out-of-warranty equipment is in need of repair, it may be brought to the appropriate MNPS Repair Shop where it will be determined if the equipment can be repaired in a cost effective manner.
2. If not, after compliance with the procedures indicated in Section D of this procedure, the equipment will be mined for useful parts and sent for disposal via E-Bid.

Performance Measure/Accountability

Continuous evaluation of procedure to ensure efficiency and compliance with all regulations