

Property Inventory or Capitalization Policy 3010

As stewards of the KTEC High School property, the Governance Board recognizes that efficient management and full replacement upon loss requires accurate inventory and properly maintained property records.

The Governance Board shall maintain a continuous inventory of all KTEC High School-owned equipment and supplies, including computing devices.

For purposes of this policy, "equipment" means tangible property (including information technology systems) having a useful life of more than one (1) year and a per-unit acquisition cost which equals or exceeds (\$5000).

Capital assets include equipment as well as the following:

- A. land, buildings (facilities), and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases
- B. additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance)

Capital expenditures, which are expenditures for capital assets, require prior written approval in order to be allowable in certain situations. General purpose equipment, buildings, and land, as well as improvements to land, buildings, or equipment which materially increase their value or useful life, are unallowable as direct charges unless the Federal awarding agency or pass-through entity provides prior written approval. Whereas capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of (\$5000) or more have the prior written approval of the Federal awarding agency or pass-through entity.

When defining supplies for inventory purposes, no items will be counted whose total acquisition cost is less than (\$5,000).

"Computing devices" are machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories for printing, transmitting, and receiving, or storing electronic information. Examples of computing devices include laptops, smartphones, tablets, etc. Computing devices are classified as equipment if their acquisition cost meets the above-mentioned equipment threshold. Computing devices that do not meet the acquisition cost threshold are considered supplies.

It shall be the duty of the school leader to ensure that inventories are recorded systematically and accurately, and property records of equipment are updated and adjusted continuously by reference to purchase orders and withdrawal reports.

Equipment and computing devices whether acquired under a Federal award by KTEC High School, or another funding source are subject to the following conditions:

- A. The property shall be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal awards.
 - 1. When no longer needed for the original program or project, the property may be used in other activities in the following order of priority: (1) activities under a Federal award from the Federal awarding agency which funded the original program or project; then (2) activities under Federal awards from other Federal awarding agencies.
 - 2. During the time that property is used on the project or program for which it was acquired, the school leader must also make the property available for use on other projects or programs currently or previously supported by the Federal program, provided that the use will not interfere with the work on the original project or programs.
- B. The property shall not be encumbered without the approval of the Federal awarding agency or the pass-through entity.
- C. The property may only be used and disposed of in accordance with the provisions of the Federal awarding agency or the pass-through entity.
- D. Property records shall be maintained that include the following:
 - 1. description of the property;
 - 2. serial number or other identification number;
 - 3. source of funding for the property;
 - 4. acquisition date;
 - 5. acquisition cost;
 - 6. percentage of Federal participation in the project costs for the Federal award under which the property was acquired;
 - 7. location;
 - 8. ultimate disposition data including the date of disposal and sales price.
- E. A physical inventory of the property must be taken, and results reconciled with property records at least once every two (2) years, in accordance with this policy.
- F. Adequate maintenance procedures shall be implemented to keep the property in good condition.
- G. 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 documented, investigated, and reported.

Adopted March 22, 2023

Revised July 24, 2023