

MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

March 13, 2012

MEMORANDUM

To: Members of the Board of Education

From: Patricia O'Neill, Chair, Board of Education Policy Committee

Subject: Rescission of Two Policies:

- Policy EDC, *Furniture and Equipment*
- Policy EFA, *Bank Accounts for Cafeteria Funds*

During the ongoing review of policies by the offices responsible for the content, two policies have been identified for rescission. Relevant language from Policy EDC, *Furniture and Equipment*, has been added to Regulation EDC-RA, *Control of Furniture and Equipment Inventory*. Relevant language from Policy EFA, *Bank Accounts for Cafeteria Funds*, is fully addressed in the Montgomery County Public Schools *Financial Management Handbook* and the *Division of Food and Nutrition Services Procedures Handbook*. After reviewing each policy, the Board of Education Policy Committee recommends both policies for rescission.

Copies of the affected policies are attached for your convenience.

The following resolution is provided for your consideration:

WHEREAS, During the ongoing review of policies by the offices responsible for the content, two policies were identified for rescission; and

WHEREAS, After reviewing staff's proposals, the Board of Education Policy Committee recommends both policies for rescission; now therefore be it

Resolved, That Policy EDC, *Furniture and Equipment*, be rescinded because relevant language has been added to Regulation EDC-RA, *Control of Furniture and Equipment Inventory*; and be it further

Resolved, That Policy EFA, *Bank Accounts for Cafeteria Funds*, be rescinded because relevant language is fully addressed in the Montgomery County Public Schools *Financial Management Handbook* and the *Division of Food and Nutrition Services Procedures Handbook*.

At the table for the discussion will be Mrs. Stephanie P. Williams, director, Department of Policy, Records and Reporting, Office of Shared Accountability.

PO:hp
Attachments

EDC

POLICY BOARD OF EDUCATION OF MONTGOMERY COUNTY

Related Entries: EDC-RA

Furniture and Equipment

A. PURPOSE

To assure that school system equipment and furniture is used for MCPS purposes only

B. PROCESS AND CONTENT

Furniture and school system equipment shall not be removed from MCPS buildings unless for school and/or business-related reasons.

C. REVIEW AND REPORTING

This policy will be reviewed every three years in accordance with the Board of Education policy review process.

Policy History: Adopted by Resolution No. 70-52, March 11, 1952; reformatted in accordance with Resolution No. 333-86, June 12, 1986, and Resolution No. 458-86, August 12, 1986, and accepted by Resolution No. 147-87, February 25, 1987.

EDC-RA

REGULATION MONTGOMERY COUNTY PUBLIC SCHOOLS

Related Entries: DJA-RA, EDB-RA, EDC
Responsible Office: Chief Operating Officer

Control of Furniture and Equipment Inventory

I. PURPOSE

To set forth guidelines and procedures for the control of furniture and equipment owned by Montgomery County Public Schools (MCPS) and to establish responsibility for the maintenance of the inventory records.

II. DEFINITIONS

- A. The *appropriate administrator* may be one of the following:
1. The principal of a school
 2. Each project director for supported programs such as Title I, Head Start, and Vocational Education
 3. The director of the department or division concerned, where not stated above
- B. *Inventory items* are those nonconsumable items valued at \$5,000 or more. See MCPS Regulation EDB-RA, *Instructional Materials and Equipment*, for guidelines distinguishing equipment from supplies. Also see Section III C, Minimum Value, under the following guidelines for exceptions to the \$5,000 per item rule.
- C. *Movable property* is that furniture/equipment which can be transported from one location to another without appreciable damage or change either to the location from which it is removed or to the new location where it is to be installed. Such items of furniture/equipment do not function as integral parts of the building or grounds, nor are they permanently fastened or attached to the building or grounds. The term movable does not refer to size or weight but rather to permanency of installation and to whether or not the furniture/equipment is built in. See MCPS Regulation DJA-RA, *Procurement of Equipment, Supplies, and Contractual Services*.

- D. *Supported programs* are those programs which are funded partially or completely by agencies other than MCPS. Reference should be made to the laws, federal and/or state regulations, or grant agreements to determine applicable rules on movable property. The appropriate administrator must notify the Department of Materials Management concerning applicable rules on movable equipment.

III. GUIDELINES

The primary objectives of the inventory system are to encourage full utilization of MCPS property and to facilitate effective property management and control. Maintenance of accurate property records and physical inventories and the assignment of control responsibility are ways in which these objectives can be achieved. The cooperation of all personnel is necessary to assure full utilization and control of all property.

A. General

1. MCPS furniture and equipment shall not be removed from MCPS buildings unless for school and/or business-related reasons.

2. The appropriate administrator is responsible for the accountability and records maintenance of all items of furniture and equipment acquired or disposed of regardless of source or reason. Any individual to whom MCPS furniture and equipment is entrusted is responsible for the use, care, and protection of that property. This applies to permanent and temporary loans of furniture and equipment.
3. The Department of Materials Management is responsible for maintaining central records of movable property for the entire school system. This includes such functions as barcoding and accounting control of the central inventory file, establishment of procedures to assure that reported changes are made promptly and accurately, notification to schools of deficiencies in data and/or forms preparation, and other related functions.
4. The Department of Materials Management also is responsible for determining that each school/office inventory is correct by conducting a physical inventory using bar code technology.

B. Furniture and Equipment Inventory Records

Records covering the acquisition, MCPS Form 234-18, *Furniture/Equipment Inventory Property Report: Addition/Correction* or disposition, MCPS Form 234-17, *Furniture/Equipment Inventory Property Report: Delete* of items of furniture and equipment in a school/office are to be in compliance with the procedures set

forth in Section IV below. Each school/office must establish internal procedures to assure that items of furniture and equipment being received into or removed from the school/office building are brought to the attention of the appropriate person so that necessary changes may be reflected in the inventory records on a current basis.

C. Minimum Value

The minimum value per item to be recorded in the central inventory system will be \$5,000. The exceptions to this rule include computers and their components, other electronic equipment, pianos, video equipment, cafeteria equipment, building service equipment, and vehicles. See Chapter 16, Property Accounting in the Financial Handbook.

D. Marking Equipment with Barcode Labels

School/office equipment will be affixed with Bar-Code labels with an identification number.

E. Ownership and Use

1. Title to all property is vested in MCPS; but the appropriate administrator has the custodianship of and responsibility for all property coming into the possession of the school/office by whatever means acquired.
2. Furniture and equipment items are the property of MCPS and not of individual schools/offices. As such, items may be transferred to other locations as program changes dictate.

F. Responsibility for Lost Items

The appropriate administrator and the assigned user (or the individual to whom it is officially entrusted) will be held responsible for lost furniture and equipment items. Such items may be replaced with MCPS allocated funds or from the general school fund account of the Independent Activity Funds. The chief operating officer/deputy superintendent of schools/associate superintendent determines the source of the funds for replacement after review of the report of missing inventory items. It may not be possible to replace some items.

G. Surplus Movable Property

Movable property that is in excess of the needs of an office/school may be transferred as surplus to the Department of Materials Management. Complete

MCPS Form 234-17: *Furniture/Equipment Inventory Property Report: Delete* for the pickup of the surplus property. The surplus property is picked up for reuse, reconditioning, storage, or disposal.

IV. PROCEDURES FOR PROPERTY ACQUISITION, CONTROL, AND DISPOSITION

(CENTRAL OFFICES MAY ADJUST THESE PROCEDURES ONLY TO THE EXTENT ABSOLUTELY NECESSARY TO CONFORM TO THEIR ATYPICAL SITUATION.)

A. Purchase Order/Financial Management System (FMS) Requisition

1. Items are ordered, approved, and received in FMS.
2. Items that are to be included in property control inventory are to be delivered directly to the Property Control Office in the Department of Materials Management for receiving and bar coding. (Refer to MCPS Regulation EDB-RA: *Instructional Materials and Equipment* and the MCPS Financial Manual, Chapter 16, Property Accounting).
3. Local inventory items (under \$5,000) should be accounted for by methods established by the responsible administrator.

B. Other Acquisitions

1. Items that are not acquired by MCPS purchase order may include warehouse issue, gifts, grants, direct school purchases, and items manufactured by the Division of Maintenance.
2. The receiving school/office records, on MCPS Form 234-18: *Furniture and Equipment Inventory Report: Addition/Correction*, the complete data for each line entry and submits this form with appropriate approval per instructions on the form. The school/office copy of this form serves as accounting support and documentation for tracing to subsequent inventory reports.
3. The inventory data submitted will be entered on the central inventory file and should appear on the next inventory report. Inventory reports may be requested through the Department of Materials Management.

C. Transfers (Permanent)

1. The sending school/office initiates MCPS Form 234-18: *Furniture/Equipment Inventory Property Report: Addition/Correction* for the item(s) permanently transferred.
2. The transfer is crossed off the control copy of the inventory report of the sending school/office and a short explanation is appended to note receiving school/office and date shipped.
3. The receiving school/office records the receipt of the item on the control copy of the inventory report. The manually recorded data should be checked with the next inventory report to ensure that the item has been accurately transferred. It is not necessary for the receiving school/office to initiate MCPS Form 234-18: *Furniture/Equipment Inventory Property Report: Addition/Correction* since this is the responsibility of the sending school/office.

D. Transfers (Temporary)

Temporary transfers are controlled by an appropriate entry on the control copy of the inventory report. The receiving location should place a label on the item to indicate the school/office to which the item belongs. Both the sending and receiving school/office must obtain a written receipt to show the transaction, and both must retain a copy for their inventory file. Records of all equipment removed from the building must be kept on file. (Use MCPS Form 234-23, *Receipt and Bond Form for Equipment Loan*) as approved. This includes equipment being repaired.

E. Trade-Ins

1. The releasing school/office completes MCPS Form 234-17: *Furniture/Equipment Inventory Property Report: Delete* for items(s) traded in.
2. Cross off the item(s) from the school/office control copy of the inventory and append a short explanation of the details such as:
 - a) Date released
 - b) Purchase order number
 - c) Vendor's name

F. Damaged, Stolen, or Fire Loss

1. The school/office will record the inventory data on MCPS Form 234-17: *Furniture/Equipment Inventory Property Report: Delete*, using the data from the inventory listing.
2. Cross off the item(s) from the control copy of the inventory listing and append a short explanation of what happened to the item.

G. Any Other Disposition

1. The school/office will record the inventory data on MCPS Form 234-17: *Furniture/Equipment Inventory Property Report: Delete*, using the data from the inventory listing.
2. Cross off the item(s) from the inventory listing, and append an explanation of what occurred.

H. Physical Inventory

1. The Department of Materials Management will perform a physical inventory, at least every two years, of items meeting the following criteria:
 - a) All items of furniture and equipment valued at \$5,000 or more
 - b) Selected items are included even if valued at less than \$5,000: computers and their components, musical instruments, video equipment, cafeteria equipment, building service equipment, and vehicles
2. A Materials Management team will bar code the inventory items.
3. After the physical inventory, the appropriate administrator must reconcile the results before adjustments are incorporated into the master record database.

I. Local Inventory

It is the responsibility of the appropriate administrator to ensure that the equipment not listed on the central inventory listing is appropriately accounted for.

Regulation History: Formerly Regulation No. 235-6, June 9, 1975, amended by memorandum to the Board of Education, September 9, 1980; directory information updated January, 1983; reprinted April, 1988; revised May 26, 1992; revised November 3, 2004; Revised December 12, 2011.

EFA

POLICY

BOARD OF EDUCATION OF MONTGOMERY COUNTY

Related Entries: EFA-RA

Bank Accounts for Cafeteria Funds

A. PURPOSE

To authorize school bank accounts for the handling of cafeteria funds

B. PROCESS AND CONTENT

1. Each school will have a bank account for the handling of cafeteria funds.
2. The superintendent or his/her designee has the authority to sign checks against this account.

C. REVIEW AND REPORTING

This policy will be reviewed every three years in accordance with the Board of Education policy review process.

Policy History: Adopted by Resolution No. 345-54, November 15, 1954; reformatted in accordance with Resolution No. 333-86, June 12, 1986, and Resolution No. 458-86, August 12, 1986, and accepted by Resolution No. 147-87, February 25, 1987.