

Effective Asset Management and Inventory Control

Accounting & Financial Reporting Department

August 21, 2019

Presentation Overview

- PGCPS Public Property Control Manual
- Physical Inventories
 - Requirements and Purposes
 - Recent Audit Findings
 - Triennial Physical Inventory
 - School-Level Actions
- Asset Inventory Coordinators
- PGCPS Bulletin M-18-16
- Contact Information
- Questions

PGCPS Public Property Control Manual

PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS

PUBLIC PROPERTY

CONTROL MANUAL



Revised
Apr-16

Fixed Assets Section – Accounting & Financial Reporting Office
Public Property Office – Internal Audit Department

Purpose of Manual

- The purpose of the Manual is to assist schools and offices in maintaining an accurate listing of all equipment, materials and furniture assigned to their location.

Accountability Statement

- All equipment, materials and other tangible assets assigned to any Board of Education (BOE) facility becomes the responsibility of the individual who supervises the facility.
- **“Any employee who is unable to account for issued Board of Education property will be held responsible for the loss.”**

What is Tangible Personal Property?

Types of Property	Examples
Furniture	desks, bookcases
Cleaning Equipment	floor scrubbers, floor cleaning machines, floor machine brushes and walk behind vacuum sweepers
Lawn Equipment	zero-turn mowers
Cafeteria Equipment	movable oven warmers
Music Equipment	drums, brass instruments, chimes, clarinets
IT Equipment	whiteboard/smartboards, projectors

Physical Inventory

Requirements and Purposes

Physical Inventory Requirements

- PGCPS set a standard of performing a physical inventory every three years, covering all:
 - **Inventoriable Assets:**
Original cost of \$1,500 to \$4,999
 - **Depreciable Assets:**
Original cost of \$5,000 or greater

Purposes of Regular Physical Inventories

- Increase management efficiency
- Ensure the accuracy of the Fixed Asset Inventory System
- Result in accurate financial reporting and fewer audit findings
- Align with industry best practices

Physical Inventory

Recent Audit Findings and Response

Audit Details

- Auditor: Maryland Office of Legislative Audits (OLA)
- Audit Period: July 2015 – July 2017
- Report Issued: March 2019

Findings

- OLA Finding #8: Physical inventories of equipment were not conducted as required
- OLA Finding #9: PGPCS equipment inventory records were not comprehensive or complete

Corrective Action Plan

- PGPCS began to correct the finding by performing a complete Triennial Inventory Audit which concluded June 2019

Physical Inventory

Triennial Physical Inventory Completed in FY 2019

Massive Undertaking

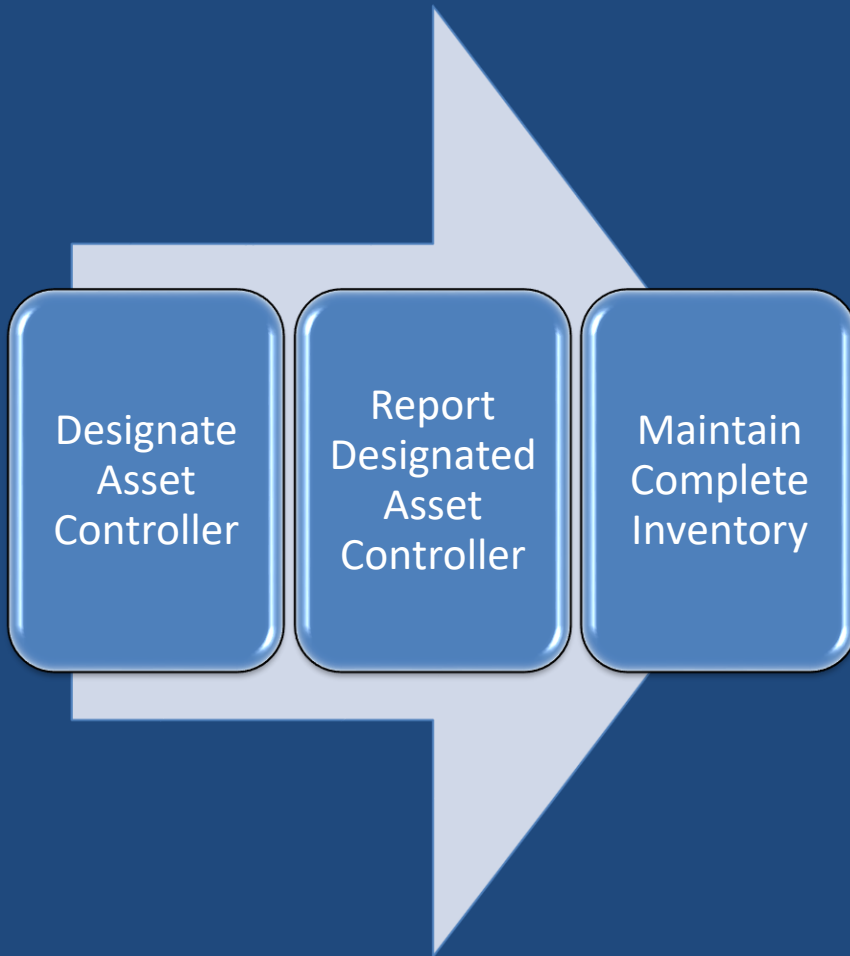
- 209 schools (including Forestville HS)
- 17 offices
- 12 bus lots
- 2 garages
- 1 central equipment site

What We Found

- Some schools/offices did not have a designated individual charged with keeping a physical inventory list
- If there was a “list”, no one knew how to access it
- If a list was produced, it was not current
- If an asset was new, it had not been tagged
- If an asset was transferred, there was no record of it

Physical Inventory

What Should Schools Do to Help Correct the Findings?



Asset Inventory Controls

Designate an Asset Coordinator

Responsible for the control of property inventory

Report the Name of the Designated Asset Coordinator Annually

Submit via memorandum to the Property Audit Office of the Internal Audit Department and the Fixed Assets Section of the Accounting and Financial Reporting Office

- Report any changes within 30 days
- If no Asset Coordinator is properly assigned by the Principal, then the Principal will be designated

Maintain a Complete Inventory

Include all equipment purchased or donated

- Listing must be available for review upon request.

Asset Inventory Coordinator

Primary Position Duties


The Asset Inventory Coordinator:	Serves as point of contact for site visits and internal school team member inventory inquiries
	Maintains and updates the In-Use Inventory Equipment Receiving Reports and submits them quarterly to Accounting & Financial Reporting (AFR)
	Submits all Material Transfer Forms to AFR and maintains copies
	Assists with resolving discrepancies between physical inventories and school records
	Collaborates with team members who receive deliveries/packages to reconcile matching of received goods against Purchase Orders
	Ensures that invoices are provided to Accounts Payable for all goods received and accepted in a timely manner
	Reconciles requisition and receiving documents

Remember

- Principals or Department Heads are responsible for all assets (items) in their facility
- When new equipment is delivered to your site, make sure it is inventoried on the Master Inventory List
- If equipment is transferred, make sure the Material Transfer Form (Attachment 4) is filled out and copies retained at the school
- If equipment is stolen or damaged, make sure that the Security Incident Form (Attachment 5) is completed
- For disposals of equipment, see Administrative Procedure 3260

PGCPS Bulletin M-18-16

Purposes of Bulletin

	BULLETIN	M-18-16 <small>Originator Serial No.</small>
		April 22, 2016 <small>Date</small>
		Business Operations <small>Originating Office</small>
		Retain <small>Cancellation Date</small>
PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS		
TO:	Chiefs Area Assistant Superintendents Principals Account Managers	
FROM:	Chief Financial Officer	
SUBJECT:	Public Property Control Manual (Revised) and Responsibility for Recording, Controlling and Reporting on Inventoried and Capitalized Fixed Assets	
1.	PURPOSE: To provide updates to the <u>Public Property Control Manual</u> , which addresses new asset tagging workflow (see Attachment A) and threshold changes; as well as to designate responsibility for recording, controlling and reporting fixed and inventoried assets owned by the Prince George's County Public Schools (PGCPS).	
2.	RESPONSIBILITY: Responsibility for recording, control and reporting on inventoried and capitalized (depreciable) assets is shared between 1) TECHNOLOGY DISTRIBUTION CENTERS of the Information Technology Division; 2) FIXED ASSETS SECTION of the Accounting and Financial Reporting Office; and 3) PROPERTY CONTROL UNIT of the Internal Audit Department.	
3.	RECEIPT AND TAGGING OF ASSETS: Assets will be received at a central location or the address it will be used at, depending on type and cost of the item. All computer and technology-related equipment procured by PGCPS, irrespective of cost, should be shipped to a TECHNOLOGY DISTRIBUTION CENTER (TDC), where it is bar coded, inventoried in the Asset Management System (AMS) and provisioned. Staff is required to sign an <u>Employee Agreement Form</u> (see Attachment B) if the item is a mobile device (i.e., tablet or laptop). The mobile device typically follows the employee when they transfer to another location in the District. Non-mobile equipment (i.e., desktop computer) does not transfer when an employee moves to a new location.	
4.	RECORDING AND CAPITALIZATION THRESHOLDS: Recording and capitalization of assets is dependent on the nature of each transaction. a) All small computing devices, such as Chromebooks, purchased for student use with Board funds, should be ordered using the student supplies sub-object (5568) under one of three functions: textbooks and instructional supplies (204), special education (206) or community services (214). All computing devices must be shipped to the TDC for tagging/bar coding and distribution, irrespective of the source of funds (i.e., School Activity Funds).	

Purposes of Bulletin

• **Addresses:**

- Responsibility for Recording, Controlling and Reporting on Inventoried and Capitalized Fixed Assets
- New asset tagging workflow and thresholds; designates responsibility for recording, controlling, and reporting assets owned by PGCPS

- Transfers and disposals of assets

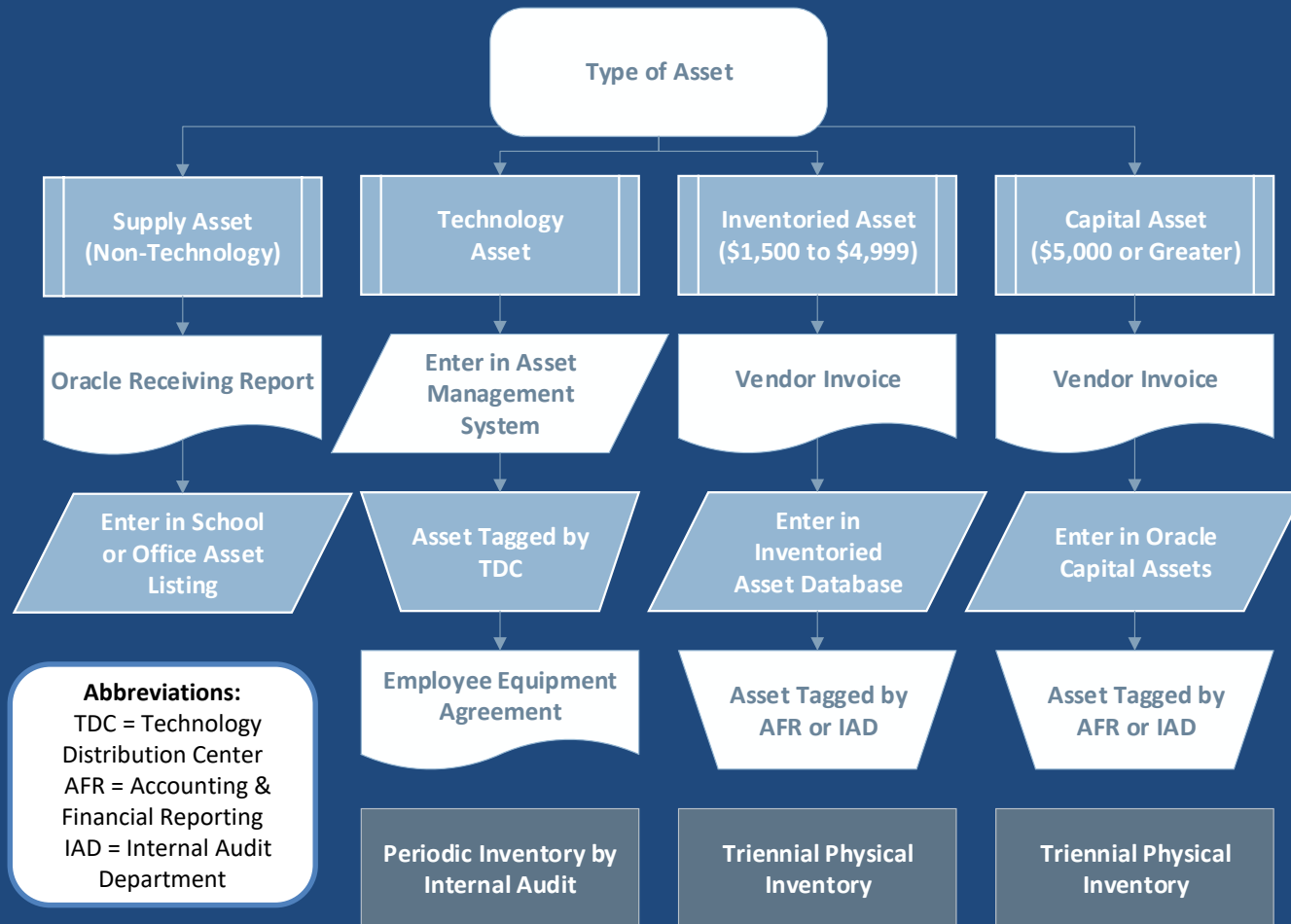
• **Updates:** Property Control Manual

• **Provides Forms:**

- Processing Supply, Technology, Inventoried and Capital Items
- Employee Equipment Agreement
- Material Transfer/Report of Excess Property

PGCPS Bulletin M-18-16

Workflow for Processing Assets



Benefits of Complying With Property Manual & Bulletin M-18-16

- Updated and accurate Fixed Assets Module
- Compliant Comprehensive Annual Financial Report (CAFR)
- Audit Compliance (External, Internal, and State of Maryland)
- High Bond and Credit Ratings
- Maximal School Funding and Budget
- Increased Educational Efficiency for All Students

Reference Materials and Contact Information

Reference Materials

- [PGCPS Public Property Control Manual](#)
 - [PGCPS Bulletin M-18-16](#)

Contacts for Additional Information

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Questions and Answers

