

JACKSON PUBLIC SCHOOL DISTRICT
ASSET MANAGEMENT
MANUAL



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First Issued July 2000 Revised June 2012, third revision July 2015, **fourth revision**
July 2019

A. FOREWORD

The Department of Property Accounting is an integral part of the Jackson Public School District under the administration of the Deputy Superintendent for Operations. It is the responsibility of the Department of Property Accounting to assure those state statutes; regulations and procedures are followed in regard to accountability of fixed assets.

This manual was developed for **Jackson Public School District** to assist the principals and department chairs to account for the district's property. Our desire is for this manual to be indispensable in the operation of efficient, responsive fixed asset management.

It is the responsibility of each school and department to account for each item of property. It is prescribed that each school and department conducts a property inventory **annually**.

This Jackson Public School District Property Accounting Manuel is to be used as a reference document, and its intended purpose is to assist principals and department heads in maintaining an effective property system. Revisions will be provided as rules and procedures are updated. Any suggestions for improvement, which can be, incorporated in the future revisions of this manual will be welcome. Additional information can be obtained by calling the Department of Property Accounting at (601) 960-8806.

W. Chuck Jackson
Director of Property Accounting

INTRODUCTION

GENERAL FIXED ASSETS

Where does Property Accountability start?

Property Accountability starts with the **HEAD** leadership of the school district beginning with the Board of Trustees, then to the Superintendent, on to Principals, and ultimately, down to the end users. Research indicates that districts having adequate control over fixed assets are those districts that assign responsibility to specific individuals and then hold those individuals accountable for any missing assets or other discrepancies. Jackson Public School District (JPSD) specifically assigns fixed asset responsibility to department heads and principals. The annual evaluations of these individuals in the District assess the adequacy demonstrated in protecting and accounting for district assets. In addition, the Board of Trustees review a monthly report that shows a detailed listing of any missing, stolen or surplus asset as well as who was responsible for the custody of those assets. As a result of assigning individual responsibility and holding individuals accountable, JPSD has a very low percent of fixed assets that are missing or stolen each year.

Fixed Assets are those assets of a long-term nature intended to be held or used by the school district. This definition generally includes **land, buildings, transportation equipment, other motor equipment, and other equipment, construction in progress and leased property under capital leases.**

The importance of developing and maintaining a complete and accurate account of fixed assets cannot be emphasized too strongly. The schools and departments should recognize a great responsibility for custody of its assets. This protective custody cannot be accomplished without complete and accurate records.

A second reason for developing and maintaining complete and accurate fixed assets records allows accurate financial reporting. The value of fixed assets for schools and departments is substantial and usually far greater in value than current assets. When records are not adequate, an audit opinion will be **qualified** for fixed assets, which means the auditor does not have enough evidence to offer an opinion. A qualified opinion may result in an accreditation deficiency leading to a probationary status.

Fixed Assets Detailed Ledgers in the **Marathon Accounting System** are used to record detailed information about the various assets and are posted to the Fixed Assets Subsidiary Ledger. Fixed Assets Detail Ledgers contain a description of the asset, including condition (excellent to poor) any identifying markings, cost or estimated fair value at acquisition, the date purchased, location and identifying Barcode numbers. **All retirements (deletions) of fixed assets, regardless of method, shall be entered in the minutes of the school board.**

B. Table of Contents

CHAPTER I – DEFINITION & PROCEDURES	7
Property Manager.....	7
Duties of the Property Manager	7
Form F.....	7
Fixed Asset Classification.....	8
Land.....	8
Building.....	9
Transportation Equipment.....	9
Other Motor Equipment.....	9
Other Equipment.....	9
Construction –in-Progress.....	9
Leased Property under Capital Lease.....	10
Notarized Affidavit.....	10
Stolen Property.....	10
Request for Disposal of Property.....	10
Lost Property.....	10
Assignment of Property.....	10
Permanent Transfer.....	10
Hand Receipts.....	11
CHAPTER II–FIXED ASSETS POLICY.....	11
Cost	
Threshold.....	11
Required Inventory Items.....	11
Inventory Exemptions.....	12
Purchases through Surplus Property Division.....	12
Valuation of Property.....	12
Data Elements.....	12
Physical Tagging of Fixed Assets.....	12

Delivery of Assets to Users.....	13
Annual Inventory Process.....	14
When shall the Inventory Be Taken.....	14
How the Inventory shall be conducted.....	14
Transfer of USABLE Assets.....	16
Removal of UNSABLE Assets from Service.....	18
Storage of UNUSABLE Assets Removed from Service.....	18
Updates to Assets by the Internal Audit Office.....	19
Repairs to Assets.....	20
Reporting of Stolen and Vandalized Assets.....	21
Retirement of Assets.....	21
Disposal of Assets.....	21
 CHAPTER III– Implementation of GASB# 34.....	 22
How will GASB# 34effect Jackson Public School District.....	23
How will GASB # 34 be implemented in JPSD.....	24
 CHAPTER IV – Warehouse Operations.....	 25
Purpose and Overview of the Warehouse Function.....	25
JPSD Warehouse Facilities.....	26
Receiving Merchandise.....	26
Storage Management and Housekeeping.....	27
Filing Requisitions.....	28
Distribution of Merchandise.....	29
General Responsibilities	30
Forms.....	31

CHAPTER 1 – DEFINITIONS & PROCEDURES

ADMINISTRATION

1. Building principals and department administrators will be responsible for the control of equipment assigned to their location.
2. All employees who have been delegated responsibility for the equipment inventoried within their location must become familiar with the JPSD Asset Management Manual.
3. Administrators and principals are required each year to certify that the physical inventory in their location has been reviewed and that the explanation for unlocated item(s) is clear, complete, and correct.
4. It is the responsibility of each administrator to initiate proper documentation of the movement and transfer of the equipment between locations inside and outside the building.

Property Manager shall mean any person such as the principal or department chair that assigns the responsibility to maintain inventory for the school or department.

Duties of the Property Manager

- (1) Maintain a master fixed assets inventory ledger.
- (2) Maintains property and equipment transfer documents, lost or stolen forms.
- (3) Periodically audits and verifies inventory records and equipment with the Inventory Clerk
- (4) Reports all information on lost, stolen and transferred items to Campus Enforcement and the Office of Internal Auditor.
- (5) Reports findings to the Board of Trustees.

District Property Office shall mean the Department of Property Accounting. Its function is to enhance the credibility of information being reported to the State Auditor.

Form F is a summary statement that reports the beginning balance, additions, retirements and ending balance of the seven major fixed assets groups –

mobile equipment, furniture and equipment, land, buildings, leased property, construction in process and other building improvements.

Fixed Asset Classification – Governmental accounting pronouncements and the Office of the State Auditor recommend the following accounting classification for fixed assets:

- **Land**
- **Buildings**
- **Transportation Equipment**
- **Other Motor Equipment**
- **Other Equipment**
- **Construction-in-process**
- **Leased Property under Capital Leases**

These classifications are used to report fixed assets through prescribed records that are designed to provide this information. A discussion of each of these classifications follows:

Land – All land owned by the district is recorded at historical cost. If land is donated, it is recorded at fair market value at the time of donation. This cost includes expenditures in connection with the purchase, including:

- **Purchase price or cost of construction**
- **Appraisal and negotiation fees**
- **Title search fees**
- **Cost of consents**
- **Payment of damage claims**
- **Clearing land for use**
- **Demolishing or removing structures**
- **Filling costs**

All land owned by the district is to be included in this classification regardless of its value. When land is sold, the cost should be retired from the General Fixed Asset group.

Building- includes all permanent, portable, and temporary building structures regardless of value. Buildings are recorded at acquisition cost, which includes:

- **Purchase price or cost of construction**
- **Permanently installed fixtures**
- **Professional fees (architect and or engineering fees, etc.)**
- **Cost of permits and licenses connected with acquisition**
- **Payment of damage claims connected with acquisition**
- **Insurance premiums connected with acquisition**
- **Other acquisition costs**

Donated buildings should be recorded at fair market value at the same time of donation. Extension of existing building or new and separate units added to a building complex is capital outlay and should be added to the value of the existing building. Renovations, repairs and alterations should not be added to the value of the existing building, unless they materially extend the value or life of the building.

The sale or salvage of materials initially capitalized, as part of the cost, should reduce the cost of buildings. These would include discounts, allowances and rebates secured, and amounts recovered through the surrender of liability and/or casualty insurance.

Transportation Equipment all school buses and district owned vehicles used for the purpose of student transportation.

Donated Transportation Equipment is recorded at fair market value when acquired. All Transportation Equipment acquired from Surplus Property is included at fair market value.

Other Motor Equipment district owned vehicles used for a purpose other than student transportation.

Donated Motor Equipment is recorded at fair market value when acquired.

Other Equipment generally includes machinery, tools, furniture, furnishing and other assets with a value of \$1000 or more and an expected useful life of at least one-year. This classification will also include **hot items** (walkable items) whose value is less than \$1000.

Donated items are recorded at fair market value when acquired. All property acquired from surplus property is included at the fair market value.

Construction-in-Progress records construction costs of projects incurring costs, but not complete. The cost is accumulated the same as Buildings Cost. When the project is complete, the amount in Construction-in-Progress is moved to the Building Account Code.

Leased Property Under Capital Leases is assets reflecting the **original purchase** price of property under capital lease.

All property acquired under a lease-purchase agreement is recorded in this classification. When the lease agreement has been fulfilled and all payments made, the property is removed from Leased Property under Capital Leases and placed in the proper classification.

The contract and amortization schedule for capital leases shall be obtained (the lessor can provide this) and entered in the minutes of the school board. Capital leases must be included in the General Long-Term Debt Account Group.

Notarized Affidavit is a written statement notarized by a notary public detailing the loss equipment.

Stolen Property shall be the responsibility of personnel who have been assigned property belonging to the Jackson Public School District. Responsible personnel will be required to make effort to bring reported incident to a satisfactory conclusion in a timely manner. Disposition of stolen property shall be reported to the Office of Campus Enforcement and the Office of Property Accounting so it can be reported on the board minutes.

Request for Disposal of Property should be submitted to the school or department's property manager and the Office of Property Accounting before the items are discarded. This will ensure that proper documentation is available for the school board to make an informed decision regarding fixed assets. Disposal and retirement of fixed assets must be authorized by the school board.

Lost Property shall be reported to the property manager and the Office of Internal Audit and must be accompanied by a ***notarized affidavit*** signed by the responsible party assigned to the property. Disposition of lost property shall be reported on the board minutes.

Assignment of Property – The property manager should maintain signed Property Logs for property assigned to departments, divisions or personnel.

Permanent Transfers of assets to other schools or departments should indicate the barcode number of the asset, assigned personnel and newly assigned personnel for the asset. Transfer information should be submitted to the Office of Internal Audit to update the property database.

Hand Receipts – The property manager should be notified when property is temporarily loaned or transferred to a school, department or other personnel party. The other personnel party is then responsible for the safekeeping of said property. The other personnel party assuming temporary responsibility must obtain signature.

C. CHAPTER II – FIXED ASSET POLICY

Cost Threshold – All schools and departments are required to maintain complete and current lists of each property item with a cost to the school or department of \$1000 or more. If an item is donated, the school shall include items on its inventory with a fair market value (at the time the donation is received) of \$1000 or more.

Required Inventory Items – The following property items shall be included on the school or department's inventory regardless of the price paid to acquire the item or the fair market value of the item:

- **Overhead Projectors**
- **Radio equipment**
- **Televisions**
- **Cellular phones**
- **Computer equipment and Printers**
- **Cameras and camera equipment**
- **Appliances: refrigerators, stoves, washers, dryers, etc.**
- **Lawn maintenance equipment**
- **Chain Saws**
- **Air compressor, welders, generators and similar type items**
- **Weapons**

- **Motorized vehicles**

Inventory Exemptions – For the purpose of these Rules, “*property*” is defined as all furniture, vehicles, equipment and other personal property having a useful life expectancy of at least one year and with a cost of \$1000 or more.

“Property” does not include: carpeting, draperies, installed floor-to-ceiling partitions, window shades or blinds, mattresses and box springs, museum accessions, library books, films or archival collections.

Purchases through Surplus Property Division – Items acquired through surplus property shall be added to a school or department’s inventory at the fair market value; that is, surplus property items added at a fair market value.

Valuation of Property – In the event a school or department is required to include an item on its inventory records using the fair market value, the school will be required to maintain adequate documentation (*Gift to School Form*) to justify how the fair market value was obtained.

Data Elements – consist of identifying characteristics for recording fixed assets. The district uses the following data elements for recording fixed assets:

- **Major Asset class**
- **Acquisition date**
- **Location code (refer to SDE codes)**
- **Inventory Tag number (barcode number)**
- **Description of item, including serial number**
- **Acquisition cost**
- **Funding source**
- **Check/purchase order number**
- **Condition Code**

Note: *Condition Codes are described as belonging to one of the following categories:*

Excellent- means a recently purchased item, working in perfect condition.
Good- means an item in very good condition without repairs.

Fair- means an item which is usable without repairs

Poor- means an item which is usable but worn due to wear and tear may require repairs in the future.

The district may include other elements as needed.

Physical Tagging of Fixed Assets – Physical tagging is one of the most important aspects of fixed assets control. The tagging of the asset number using barcode labels on newly purchased assets and gifts to schools shall be performed under the supervision of the Property Accounting Department. Certain other assets, because of the nature of the item, shall have the asset number **engraved** or **stamped** on the surface in lieu of ink. For example, Exceptional Education Equipment purchased will have an **orange** IDEA sticker and a JPS Bar Code. State and Federal Programming equipment will have a JPSD Barcode. As capital outlay items are received in the Fixed Asset Warehouse, assets shall be checked by warehouse clerk to ensure that what was ordered is exactly what was received and that the asset is not damaged. At that time the asset shall be tagged and placed back into the shipping carton.

Note: It is imperative that ALL fixed asset items purchased, new or donated to the district should come to the Fixed Asset Warehouse for proper tagging before going to a school or department. All Electronic equipment must be approved by the Director of Information Technology prior to purchase or donations to ensure the equipment can go on the Local Area Network (LAN).

Delivery of Assets to Users:

Once tagged in the Fixed Asset Warehouse by the inventory/accounting staff, all assets shall be delivered by the property transfer staff (fixed asset staff) to the user in a timely manner. A written receipt shall accompany the delivery of all assets to schools and departments; the Principal or Department chair shall designate one person to receive, inspect and sign for all assets which are received. Two copies of the receipt shall accompany the items, both copies are to be signed at the school, and one copy is to be filed at the school by Job Ticket number. The other signed copy shall be filed in the Fixed Asset Warehouse, where it shall be filed by the school.

Should any asset be received in a damaged condition at the school, whether delivered by JPSD Property Transfer or from the vendor of sale, the Property

Accounting Department should be notified immediately so that the correct damage claim procedure can be initiated.

***Note:** The Office of Property Transfer cannot assemble furniture and Equipment. We ask that furniture and equipment be purchased assembled or ensure assembly is included in the price.*

Annual Inventory Process

It is the District policy that a physical inventory is taken by designated JPSD personnel at least once per fiscal year. The actual inventory process (i.e., reconciling of assets in a building with the marathon database list of assets) shall be responsibility of the Department of Property Accounting for the school or department. The Department of Property Accounting shall be responsible for **assisting with locating items in their buildings** during the school year. Inventory Clerks assigned to the Department of Property Accounting in conjunction with the Director of Property Accounting shall assist school/department Property managers by providing lists and performing other functions the principals and department chairs are responsible for equipment in the areas.

When the Inventory Shall Be Taken

The timetable for conducting the physical cyclic inventory and tagging process for all designated assets in all locations shall be performed at least one time during the fiscal year, beginning July 1 of each year and completing the cycle by June 30 of the following year. The Department of Property Accounting shall set the dates on which the inventory shall be reconciled for each facility.

How the Inventory Shall Be Conducted:

Utilizing the Marathon computer printout generated by the Department of Property Accounting, assets shall be located and recorded in each school and all administrative departments by the Principal or Department Chair. The Property Accounting Department shall notify the Principal or Department Chair in writing, of the dates on which the inventory process shall occur for each facility, prior to the beginning of the inventory process at the school. It shall be the responsibility of the Principal or Department Chair to provide all documentation of transfers, theft, vandalism and gifts to school. Instructors and other school personnel may be called upon by the Principal to assist in locating certain assets.

All assets contained on the listing of the Marathon database shall be accounted for in the building. Five forms – “Additions to Inventory,” “Changes to Inventory,” “Non-Located Assets on Inventory,” “Office of Property & Equipment Log,” “Furniture and Equipment Transfer Request,” and “Lost or

Stolen Affidavit,” shall be completed as required during the physical inventory process by the Principal or Property Manager to conduct the actual inventory process. The information contained on these forms is utilized to amend the database to reflect the changes found during the inventory process. Items found to be at the site but not on the database (printout) are written by the Principal or the Property Manager using the “Additions to Inventory” Form. Should it be discovered at the site, the party in the school conducting the inventory process shall place items on the “Non-Located Assets on Inventory” form.

Upon completing the physical inventory at each site, a “post inventory” meeting shall be held between the Inventory Clerk and the Principal or the Department Chair. During this meeting, any variations between those assets, which are on the database and those found to be at the location, are identified and discussed. Following the meeting, the Principal or Department Chair **shall** sign the printout and the attached forms, verifying that information is accurate to the best of their knowledge, at that point in time. The inventory clerk then signs the printout and revision forms also. A copy of the signed “Non-Located Assets on Inventory” form is retained at the school and shall be utilized for the Principal to initiate and immediate search for the lost assets. The Inventory Clerk returns the co-signed printout and forms to the Internal Audit Office.

After reviewing the printout and all documents attached, the Internal Auditor creates a table of all non-located assets discovered during the inventory process, and forwards this list to the Principal or Department Chair accompanied with a letter outlining the procedures for properly reconciling all lost assets. The Principal or Department Chair has ***five business days to respond to the letter***. The Principal or Department Chair shall respond to each asset on the list and not in general terms. Once a response has been made to the Internal Auditor by the Principals or Department Chair concerning the lost assets, the Data Clerk enters on-line all the required changes to the database. The printout and all revision documents are filed in the Internal Audit Office, by location. Once all changes have been made and verified, a new computer listing is generated by Internal Audit Office which is inclusive of all changes made as a result of the physical inventory process. A copy of the revised computer printout is forwarded to the Principal or Department Chair and is maintained on file at the school or department. A written statement (*notarized affidavit*) shall be signed by the Principal or Department Chair detailing the loss of the assets. Refusal to sign the affidavit by the party responsible for the

asset may result in dismissal, since the State Auditor's Office requires that the legal document be signed.

A listing of all assets which cannot be located as a result of the physical inventory, along with the signed "*Lost Property Affidavit*" shall be presented to the Board of Trustees during the meeting immediately following the completion of the inventory process. The recommendation shall be to retire the lost assets to adjust the database accordingly.

Annual Fixed Assets Inventory

The Department of Property Accounting, will perform a fixed assets inventory at each campus/department annually. This inventory will be conducted during the school year and the process will be a component on the administrator end-of-year checkout list and will be reported to the principal/department administrator, internal audit, area administrator, CFO, and superintendent.

The principal / department administrator may appoint a fixed assets custodian. The fixed assets custodian will be responsible for keeping a strict account of all the fixed assets at their location.

The following recommendations will facilitate the tracking of fixed assets:

- encourage staff to perform an inventory of their capital outlay items at the beginning of school year and after Christmas break
- submit any room changes by preparing and submitting a Fixed Assets Intra-Transfer Form for updating
- complete and provide a copy of the Authorization to Borrow Equipment Form for all items used out of the location (i.e. laptops)
- hold quarterly meeting with head of departments
- schedule random spot checks and contact the inventory clerk assigned to your location for assistance.

Campus/department administrators will be contacted to schedule their Fixed Assets inventory. Administrators should announce the inventory and ensure that access is made available. Inventory clerks will arrive and conduct the inventory. The results of the physical inventory will be provided for review. All items not located should be addressed within the time allotted.

District Location	Time allowed
Elementary Schools	Five business days
Middle & High Schools	Ten business days
Departments	Ten business days

Research / Verification Process

1. Research items not located during the physical inventory.
 - If the item is found, update the location and initial.
 - If the item is not found, provide documentation (disposition or transfer forms).
 - Should no documentation exist and the items are fully depreciated, approval to delete items from inventory will be submitted to the Chief Financial Officer. Upon approval, those items will be removed.
2. Report findings to the Department of Property Accounting for correction.
3. Fixed Assets Clerk will post changes. Final results will be reviewed with the administrator. The corresponding verification form will be signed and submitted by the administrator to the Internal Audit Department once completed and all items not located have been cleared.
4. Payment for Items Not Located

Employees are responsible for the safekeeping of assigned equipment. In the event that the assigned items are damaged, stolen or lost the employee shall assume financial responsibility of replacing such items.

The process shall be as follows: upon the completion and review of the final results of the annual fixed assets audit, the:

 1. Campus/department will be presented with an invoice for the items not located.
 2. Invoice will be presented for the book value balance of the useful life of the item. Items of equipment being purchased with State and Federal funds will be replaced at REPLACEMENT COST.
 - ♦ Should the item be fully depreciated, it will be presented to the CFO for approval to remove from the inventory.
 3. Payment will be remitted to the Department of Finance and Accounting with a receipt presented.
 4. The Inventory Verification Form and Results will be finalized.
 5. The results will be presented to the Principal/Administrator, Area Administrator, CFO, Property Accounting, and Superintendent.

TRANSFER OF USABLE ASSETS

Definition:

The **transfer** of assets within the District is accomplished utilizing an online requisition process. Schools or departments desiring to have assets picked up and moved from the present location to another location within the District by the Fixed Asset Department shall complete an on-line “*Operations Division Job Ticket,*” which prints in the Property Accounting Office. A transfer is defined as the approved relocation of an asset from either one location to another within the District, or a request to relocate the asset to the Fixed Asset Warehouse so that the asset can be removed from service. Unauthorized transfers of any asset by any party shall not be permitted.

It should be noted that the physical inventory shall account for **all items** contained on the marathon printout. It is very important that the Principal or Department Chair retain copies of all forms, which are utilized to account for the movement, repair and exchange of assets in the building. If an asset cannot be located, the Inventory Clerk must be provided with the correct document authorizing the absence of the asset from the building. It shall be the responsibility of the principal or the department chair to show proof as to why the asset cannot be located within the facility.

Procedures to Transfer:

To transfer an asset from one location to another or move an asset from service, the following procedure should be followed:

1. Principal or Department Chair enters an on-line “*District Work Order*”.
2. To request that an asset be **TRANSFERRED**: Select “**TRANSFERS**” (67) From the FIXED ASSET Department of the Marathon Work Order Administration. Indicate where the asset is to be moved TO (school or department name).
3. To request that an asset be **REMOVED FROM SERVICE**: Select “**TRANSFERS**” (67) from **FIXED ASSET** Department. Indicate that the asset is to be moved **TO: SURPLUS WAREHOUSE**.

4. No asset shall be transferred or removed from service without proper documentation.
5. The transfer request shall print in the Fixed Asset Office and the Deliverymen shall visit the site and move the asset.
6. Once the Property Transfer Department deliverymen receive the written request the asset shall be transferred. This transfer form, which is printed in the Fixed Asset Office, consists of three parts, one copy is retained in the Property Transfer Office, while the other two copies are forwarded with the assets(s) and both copies are signed by the party receiving the asset; one of the signed copies is retained by the receiving party and the other signed copy is taken back to the Property Transfer Office where it is filed.
7. No asset shall be transferred unless the bar code is provided on the transfer request form. The transferring of assets within the District without following the established transfer policy shall not be tolerated. All illegal transfers of assets shall be reported to the Superintendent.

Temporary Transfers – Should a department purchase asset that normally are maintained on their departmental inventory, but are periodically loaned to other users, the department shall maintain a separate detailed departmental inventory of those items specifying the name of the user and location where such items shall be housed.

Example: Exceptional Education purchases a video camcorder to be used for various educational projects during the year; the department head should maintain an accurate inventory and receipt of exactly where the asset is located at all times.

REMOVAL OF UNUSABLE ASSETS FROM SERVICE

Definition:

An asset may be retired for one of the following reasons: sold, traded-in, scrapped, or stolen and/or vandalized beyond use. Adjustments to the inventory database shall be made accordingly.

Request to have assets removed from Service:

If an asset does not require repairs, however, the principal or administrative department wants the asset removed from the building, the transfer procedure outlined above should be utilized. At the point where the TO location is requested, “**Surplus Warehouse**” should be entered. This will let the Property Transfer Supervisor know the asset is not in need of repair but that it is to be picked up from the building and taken to the Surplus warehouse facility at 638 South President Street.

Storage of UNUSABLE Assets Removed from Service:

Assets, which are picked up from schools or offices, which are deemed by the designated personnel (technicians, vendor, etc.) to be obsolete, scrap or unusable shall be stored in the surplus warehouse. Following established JPSD Policy, all such items shall be recommended to the Board as UNUSABLE surplus and authority received from the Board to dispose of the property in a legal manner.

Prior to any asset being removed from the fixed asset management database the following shall occur:

1. A written statement, signed by the custodian of the asset, shall be forwarded to the Surplus Property Supervisor, clearly stating that it is requested that the asset be removed from the location.
2. Upon receipt of the written recommendation in #1 above but prior to recommending to the Board that any asset be declared, as either scrap or unusable surplus. The appropriate JPSD staff technician shall examine the property and submit a written recommendation to the Surplus Property Supervisor regarding the status of the asset.
3. All assets, for which the two above pre-conditions are satisfied, shall be presented to the Board for final disposal authority as set forth by the public statutes.

CHANGES IN ASSETS BY THE PROPERTY ACCOUNTING OFFICE

Corrections – often changes are made to an existing record. Usually these changes are corrections to the original recording of the asset. Changes may include, but not be limited to the following:

1. Error in classification of the asset

2. Item disposed of and property record previously not deleted
3. Correction of description, serial number, or model number
4. Correction of cost
5. Year of acquisitions
6. Correction of asset number of JPSP number
7. Condition of the Assets (Excellent, Good, Fair, or Poor)

REPAIR OF ASSETS

Procedure to Have Assets Repaired:

In order to request that an asset be repaired, an on-line “District Work Order,” should be prepared, choosing the department, which is to make the needed repairs to the asset. Indicate the details concerning the required repairs. All information requested shall be provided on the “on-line” Job Ticket request. Please contact the Plants Office at 960-8932, for assistance with this procedure.

The Property Transfer Department deliverymen or the applicable department in the Plants Division shall receive the request and the asset shall be either repaired at the school or picked-up and taken to Enochs where the repairs can be made in the shop. This Work Order consists of three parts: one copy will be retained in the Property Transfer Office or Plants Office, depending upon who acts on the repair request while the other two copies are forwarded with the asset(s). Then, both copies are signed by the party receiving the asset; one of the signed copies is retained by the receiving party and the other signed copy is taken back to the office of the department picking up the asset where it is filed.

Repairs to Equipment Memorandum:

Reference the “Procedures for Repairs to Instructional Furniture and Equipment Memorandum”, dated August 5, 1996, which is distributed at the beginning of each school year, for complete details as to how to have assets repaired in the correct manner. For a copy of this memorandum contact the Department of Property Accounting at 960-8766.

REPORTING OF STOLEN AND VANDALIZED ASSETS

To report the theft or vandalism of an asset, the following procedures should be followed:

1. Contact immediate supervisor as soon as the theft or vandalism has been discovered.
2. Supervisor completes a “Report of Stolen and Vandalized Assets” same day as the incident. Information on items stolen should be obtained from inventory listing.
3. Supervisor calls JPSD Campus Enforcement Division, 960-8830, and should have the report ready when the security officer arrives.
4. Within 24 hours’ supervisor shall distribute information to parties listed at the bottom of the “Report of Stolen and Vandalized Assets”.

STOLEN/MISSING PROPERTY

The purpose of these procedures is to ensure correct handling of stolen/missing Jackson Public School District property. It shall be the responsibility of personnel who have been assigned property belonging to the Jackson Public School District to make every effort to bring reported incidents to a satisfactory conclusion in a timely manner. The following procedure is recommended:

- Staff assigned property will immediately notify a supervisor when item(s) of JPSD are noticed stolen/missing.
- The supervisor or designee will immediately investigate the complaint and review the Office Property & Equipment Log Sheet for accuracy.
- If the supervisor’s initial investigation/inquiry does not resolve the complaint, (*example, locating the property, withdrawal of complaint, etc.*) the supervisor or designated personnel will:
 - a. Complete a detailed JPS Incident Report of the stolen/missing property and contact Campus Enforcement for an Incident Report Case Number.
 - b. Request a CCTV search from Security Communication of the area where the item(s) were stored or located.
 - c. Forward all copies of pertinent records to Property Accounting Department.
- After 5 working days from the initial discovery, a police report will not be filed until the supervisor in charge of the area completes a detailed

investigative report to the Campus Enforcement Department. After the report is cleared and approved, Campus Enforcement will ensure that a report is completed and forward all documents to Property Accounting.

NOTE: The cost of replacement for stolen/missing item(s) after five (5) working days from whence the item(s) were initially discovered will be the responsibility of the reporting party, if there were no signs of forced entry to the building, office area or rooms.

It is encouraged that all staff assigned property belonging to the JPSD, who will be away from those items for more than five working days, do a visual inspection before departure and immediately upon returning for any discrepancy.

“We must at all time, be good stewards of the tax dollars for which the citizens have entrusted in us.”

RETIREMENT OF ASSETS

Definition:

“Retirement” is defined as a change of an asset from the “active” status it was given at the time of purchase. The four types of authorized retirements are:

1. Sold via Bid or Auction
2. Traded-in for replacement asset
3. Scrapped
4. Stolen

As earlier indicated, a transfer may result in a retirement, if the asset is removed from service upon transfer from a location. Again, only designated

JPSD personnel can determine if an asset is to be retired. No employee has the right to remove any asset, from service, which has not been designated as such by the proper JPSD personnel and authorized by the Board of Trustees. Standardized documentation must accompany the retirement of any asset from the database. Principals and administrative department heads should only request that assets in their possession be either transferred from their building to the surplus warehouse or request that the assets be repaired; these individuals shall not have the authority to determine if an asset is to be retired and discarded.

The state purchasing statute allows **ONLY** the Superintendent of Schools to dispose of inventory, following approval by the Board of Trustees and only then after certain procedures have been followed as defined within the law. Any other employee, of JPSD, which illegally disposes of an asset other than through the prescribed law and Board Policy, shall be prosecuted to the extent of the law.

Trade-ins:

If a newly acquired asset is purchased to replace an existing asset, the old asset shall be removed from service and picked up from the location receiving the new asset by the Property Transfer Department and taken to the surplus warehouse. New assets shall not be delivered to any location unless the asset being replaced is surrendered at the time of delivery.

The illegal disposal of all assets by any JPSD employee shall be reported to the Superintendent.

DISPOSAL OF ASSETS

Procedures call for a list of items, which are no longer needed, in the operation of the District. To be presented to the board with the recommendation for approval that said assets be declared surplus and that competitive bids be publicly taken, to sell all assets at what is deemed to be "Fair Market Value" relative to the utility, which remains with each asset sold. The results of the bid procedure are then presented to the board for final approval. A "Bill of Sale" is executed by the Business Office and the monies collected from the sale, are deposited, in the appropriate budget account.

If there exist an unusual number of surplus assets, which, are not appropriate for the bid process, or if the competitive bid process has not yielded the expected value for surplus assets. JPSD may conduct a Public Auction to

dispose of all assets at what is, deemed a fair and reasonable price. This is an excellent method of matching potential buyers with surplus properties. All payments are made in cash and all sales are final. All buyers must sign a ‘Non-Discriminatory Disclosure’, prior to the final sale of any sale of any surplus asset; this is to insure that surplus items purchased from JPSPD will not be resold to any organization or group which practices racial discrimination in any form or manner.

CHAPTER III - Policies and Procedures for Implementation of GASB 34

Introduction

What is GASB 34?

Governmental Accounting Standards Board statement number 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments* requires that state and local governments present their financial statement and **capitalize** and **depreciate assets**.

Accounting for capital assets under Governmental Accounting Standards Board Statement No. 34 is causing concern for many local governments. GASB 34 requires that all capital assets be reported in the government-wide financial statements. **Capital assets** include tangible or intangible assets used

in operations with an initial useful life exceeding one year, such as fixed assets currently recorded and infrastructure assets.

Capital assets, including accumulated depreciation, must be reported at the GASB 34 effective date. Examples of general capital assets include land, buildings, building improvements, furniture, equipment, vehicles and machinery. These assets will be depreciated over the life expectancy of the asset.

Depreciation – In accounting terms, depreciation is the process of allocating the cost of tangible property over a period of time, rather than deducting the cost as an expense in the year of acquisition. Generally, at the end of an asset's life, the sum of the amounts charged for depreciation in each accounting period (accumulated depreciation) will equal original cost less salvage value. Good accounting and financial management practices require that a government entity take both the cost expiration and the declining value of an asset into consideration. The cost expiration of a government entity's assets must be recognized if the cost of providing services is to be realistically reported. Also, the decline in the value of those assets must be considered, if the government entity's net assets are to be stated correctly.

Information Needed to Calculate Depreciation

To calculate depreciation on a capital asset, the following five factors must be known:

- The date the asset was placed in service
- The asset's cost or acquisition value
- The asset's salvage value
- The asset's estimated useful life, and
- The Depreciation Method

Straight-line Method

The straight-line method is the simplest and most commonly used for calculating depreciation. It can be used for any depreciable property. Under the straight-line depreciation method, the basis of the asset is written off evenly over the useful life of the asset. The same amount of depreciation is taken each year. In general, the amount of annual depreciation is determined by dividing an asset's depreciable cost by its estimated life.

The total amount depreciated can never exceed the asset's historic cost less salvage value. At the end of the asset's estimated life, the salvage value will remain.

For example, a \$12,000 copier is placed in service on March 16, 2000. It has an estimated life of five years and a salvage value of \$2,000. The depreciation calculation for the straight-line method would be:

Original cost	\$12,000
Salvage value	<u>2,000</u>
Adjusted basis	10,000
Estimated life	5
Depreciation per year	\$ 2,000

How will GASB 34 affect JPSD?

Fixed Asset/Property Accounting Office

Current JPSD Property Accounting policy states, all items of furniture and equipment over **\$5000** will be accounted for and capitalized. Based on guidance from the State Auditor's Office the threshold for capitalization of furniture and equipment is \$5000. We will still be accountable for all items of furniture and equipment \$1000 or greater and **hot items**. All items, greater than \$5000 that are purchased, fabricated or donations, will require the acquisition date to include the year and the estimated life expectancy of that piece of furniture and equipment.

Dollar Thresholds

Mobile Equipment remains @ \$1000)	\$ 5,000 (accountability level
Furniture and Equipment remains @ \$1000)	5,000 (accountability level
Land	0
Improvements other than Buildings	25,000
Buildings	50,000

Useful Lives

No partial year convention used; if purchase is made in July or in June, depreciation should be calculated and charged for a full year.

Computer equipment	3 years	Computers and their peripheral equipment
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Furniture and equipment	7 years	Desks, tables, chairs, telephone equipment, appliances, lab equipment, ladder, hoses, police special equipment, medical equipment, mobile or portable radios, athletic equipment, floor scrubbers, vacuums, etc.
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Cars and Trucks	5 years	automobiles
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Other transportation (buses, etc.)	10 years	
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Heavy and Outdoor equipment	7 years	Backhoes, dozers, front-end loaders, tractors, industrial/
		Commercial mowers, etc.

Improvements other than Buildings	20 years	Playground equipment, Scoreboards, bleachers, etc.
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Buildings	40 years	
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Salvage Values

<u>Computer Equipment</u>	1%
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Telecommunications Equipment	1%
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Vehicles/Heavy Equipment	10%
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Furniture and General Purpose Equipment	1%
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Buildings 20%

Improvements other than Buildings 20%

Trade-Ins

Newly acquired assets are currently valued based on the cash paid plus the vendor's discount given as trade-in value on old equipment given in exchange. Beginning in fiscal year 2002, the vendor trade-in discount will no longer be considered in valuing the new asset. Instead, any undepreciated value of the old asset will be added to the value of the new asset as a separate funding line.

Once the item of furniture and equipment is disposed as not economically repairable, junk or stolen, a salvage value will be placed on the item.

From the acquisition to disposal, these items will be depreciated. Once the School Board gives us approval to dispose, this information will be given to the Finance and Accounting Department, so they can make the necessary adjustments to the Financial Statements.

How will GASB 34 be implemented?

Under the current reporting method, revenue and expenditures are recorded in the fiscal year in which they are received or paid (cash-basis accounting). Under GASB method, school districts must account for revenue and expenditures for the period in which they are earned or incurred (accrual-basis accounting). In addition, all current and long term assets, such as infrastructure, need to be reported within the balance sheet.

In the Jackson Public School District, Property Accounting Department GASB 34 will be implemented by categories and it will be threshold driven. The categories being used are as follows:

- 710 – Land, which will not be depreciated
- 720 – Building
- 730 – Furniture and Equipment
- 735 – Computers and Component Accessories
- 750 – Improvements other than Land
- 770 – Vehicles

Land (710)

Land purchased or donated will be capitalized but, not depreciated. It is recorded at historical cost and remains at that cost until disposal. If there is a gain or loss on the sale of land, it will be recorded in the Marathon Fixed Asset system.

Buildings (720)

Buildings over \$50,000 comprise 93 % of the total cost of \$84,278,832 and 50% of the total 285 entries in the marathon Fixed Asset System database for buildings. Modifying the capitalization limit to \$50,000 from the current \$5,000 limit will not sacrifice a material amount of financial information. There will be approximately 50% fewer buildings to report depreciation expenses for, which should bring about decrease in time expended. Essentially, the same financial integrity will be maintained with less record keeping.

Recording Buildings

Buildings will be recorded at either their acquisition cost or construction cost. The cost of new construction will be carefully evaluated. Usually projects consist of major components such as land, land improvements, building construction (including professional fees and permits), furniture, fixtures and equipment. In addition, buildings include components (e.g., roof, air conditioner system, etc.) that will be recorded separately when significant because these building components have different useful lives. The value of each component will be determined and placed within its own category.

Recording Building Improvements

Building improvements that extend the useful life will be capitalized. JPSPD will review major maintenance projects for the last several years to determine those that should become part of the restatement of assets for purposes of complying with GASB 34.

Building and Renovations purchased since fiscal year 1960 – 1961 will be depreciated with a useful life of 40 years. All buildings and renovations acquired in fiscal year 1959-60 or earlier will be considered fully depreciated.

Building renovations will be considered improvements to the existing structure that will give the building a new 40-year life start at the time it is released and inspected by District Engineers. Example: A building purchased in 2001, at a price of \$235,000, will be completely depreciated in the year 2041. However, if in 2002 the building received a \$1.4 million renovation at the time the project is completed it will get a new 40 years and the price of the renovation will be added to the remaining dollar value.

Is a new wing/addition at one of the schools in the district considered a renovation?

No, **wing/addition** will be considered as stand along. They will be assigned an asset number (Bar code) and 40 years and depreciated separately from the other part of the school.

Furniture and Equipment (730)

In JPSPD, furniture and equipment are all items purchased out of the 730 object but, are not included in the above mentioned categories.

GASB 34 states “Capital assets should be depreciated over their estimated useful lives unless they are inexhaustible or infrastructure assets reported using the modified approach.

JPSPD will use the straight-line depreciation to depreciate all capital assets. For the estimated useful lives, we will use 7 years as guidance provided by the State Auditor’s office. We will assume a 7-year useful life on the balance of purchases from fiscal year 1994 and forward. Again, the mode of operation is threshold driven. All assets that are greater than \$5000 will be assigned an estimate life and depreciated straight line of the life expectancy. At the end of the estimated life the item’s salvage value will be put into the Marathon Fixed Asset System.

At the end of the fiscal year we will prepare a report similar to Form “F”, currently used by the State Auditor’s Office that will include the Beginning Balance, addition (purchases), disposal and End Balance. The Finance and Accounting office will use this to prepare the necessary financial statements.

Computers and Component Accessories (735)

This category will be treated just like the items in category 730 Furniture and Equipment.

Computers and computer accessories purchased since fiscal year 1998 – 1999 will be depreciated with a useful life of 3 years. All computers and accessories purchased in fiscal year 1997 – 1998 or earlier will be considered fully depreciated.

Like category 730 Furniture and Equipment, if there are upgrades that significantly increase the life of a computer or system it would be assigned another 3 years. Some items in the category could cost more than \$10,000. Because technology is improving so rapidly, this item could be obsolete in two or three years. Like this the other category threshold drive the training. The threshold per Guidance from the Auditor's office is \$5000. This eliminates the work of adding life expectancy to items that are less than \$5000. In cases where there are upgrades or component accessories that are installed inside a computer, the value of the system will be increased by the amount of the upgrade and in some cases it will increase useful life.

Improvements other than Buildings (750)

As defined in the Accountant's Handbook, Chapter 14, Land Improvements consist of betterment, other than building, that ready land for its intended use (Q25 in the Implementation Guide to GASB 34).

Per GASB 34, paragraph 19-21 Capital Assets include land, land improvements and all other tangible or intangible assets that are used in operations and that have initial live extending beyond a single reporting period.

Land improvements can be further categorized as non-exhaustible and exhaustible.

Non-Exhaustible – Expenditures for improvements that do not require maintenance or replacement. Expenditures to bring land into condition to commence erection of structures. Expenditures for improvements not identified with structures, and expenditures for land improvement that do not deteriorate with use of passage of time are additions to the cost of land and are generally not exhaustible and therefore not depreciable.

Exhaustible – Other improvements, that are part of a site such as parking lots, sidewalks, tennis courts and fencing are usually exhaustible and are therefore depreciable.

JPSD considers improvements other than Buildings (750) to be our infrastructure items.

GASB defines Infrastructure asset as long-lived capital assets associated with governmental activities that are permanent in nature and have a longer useful life than most capital assets. Sidewalks and parking lots are examples of the type of infrastructure in the Jackson Public School District.

Our interpretation of the type of items considered infrastructure would be HVAC, sidewalks, tennis courts, and parking lots to name a few. These items will generally have a useful life much longer than the average capital asset. Following the guideline from the State Auditor's Office and other documentation on implementing GASB 34 the items in this category will give a useful life of 25 years.

Improvements other than buildings purchased or fabricated since fiscal year 1977 – 1978 will be depreciated with a useful life of 25 years. All improvements acquired in fiscal year 1976 – 1977 or earlier will be considered fully depreciated.

Unlike building, if there is a maintenance plan in place where these items are periodically improved the life expectancy will be changed based on the total dollar amount of the improvement. In order for this to happen the improvement has to be major enough that it increases its useful life. Like the other categories this category is threshold driven. This means we are concerned about depreciation for items over \$25,000.

Vehicles (770)

JPSD considers vehicles for GASB 34 purposes as any piece of equipment with a motor. The items in this category will have different useful life and

salvage values. See **Dollar Threshold** for the types of equipment. For the above mentioned items, which meet the threshold of \$5,000, they will be depreciated over a period of 5-10 years.

	Component Unit Name				
	SUPPORTING SCHEDULE #5 – Schedule of Fixed Assets				
	Fixed Assets of the Component Unit consist of the following at June 30, 2001				
	<u>Land and Improvements</u>		\$	0	
	Structures and Improvements			0	
	<u>Equipment, furniture, fixtures and vehicles</u>			0	
	Total at cost			0	
	<u>Less accumulated depreciation</u>			0	
	Net Fixed Assets			0	
	<u>Construction in progress</u>			0	
	Total		\$	0	

CHAPTER IV-WAREHOUSE OPERATIONS POLICIES AND PROCEDURES

Purpose and Overview of the Warehouse Function

I. Purpose:

- A. It is the goal of the warehouse function to effectively receive, warehouse and distribute the stocked materials and supplies requested throughout the school district in an organized and economical manner in order to support the instructional and operational divisions of the school's district. The management of supplies and materials is considered of no less importance than the purchase of the items.
- B. The warehousing function as narrated in this procedures manual is divided basically into two areas:
 - 1. The general warehousing function itself which includes the receiving, storage and distribution of stock items
 - 2. The inventory control and adjustment process, problems and solutions.

II. Overview:

- A. JPSD utilizes a customized on-line computer database (Marathon), which maintains a perpetual inventory system. The system utilities such information as, item number, unit price, unit of issue, row-shelf-bin item location, balance on hand and minimum balance required.
- B. Requisitions are entered on-line (Marathon Remote Link) in the schools and administrative offices by user departments. At the time items are requisitioned on-line, predetermined school and office budgeted funds are expended by the total amount of all items on each requisition. Simultaneously, the inventory balances on hand for each item. If a sufficient quantity for a stock item is not on hand in the warehouse to satisfy the quantity being requisitioned, the user department must reorder at a later date.

A three-part requisition is printed via an on-line printer, in each warehouse facility, for all stock items warehoused in that facility. After the warehouse stock clerks pull the requisitioned quantities for each stock item from stock, two copies of the printed warehouse requisition accompany the goods, which are delivered, to the user department. Both copies are signed; one copy is retained by the user department and is filed numerically by requisition number, which is assigned by the system as requisition is printed. The other copy is filed in the warehouse supervisor's office, by user department name.

- C. The warehouse supervisor, in order to replenish the quantity of stock for those items deemed to be below the desired stock level, submits to the Purchasing Department a printout indicating by item number the quantity of each item which is to be obtained to bring the stock level to the desired level. This process is performed on a cyclical basis, usually three times per year, for each category of items stocked.
- D. Purchasing obtains the needed quantities for stock items noted adhering to all State purchasing statutes, and issues a purchase order to vendors for the purchase of the commodities.

As items, which were ordered by Purchasing is received in the warehouse, the supervisor makes an on-line receiver entry, increasing the inventory by the quantity received and entered. When all items on a purchase order have been received and the purchase order is readied for pay the warehouse supervisor signs the proof of delivery and submits it to purchasing for payment.

JPSD Warehouse Facilities

The District presently operates five warehouses.

1. The Central Warehouse Facility:

- A. This facility is located at 621 South State Street and is utilized for the receipt, storage and distribution of instructional support materials.

Three vehicles make deliveries daily to all instructional and administrative centers.

B. The following categories of items are warehoused in the Central Warehouse complex:

- (1) Art Supplies
- (2) Computer Supplies and Forms
- (3) Copiers Supplies
- (4) First Aid Supplies
- (5) General School Supplies (Instructional and Office Supplies)
- (6) Janitorial Supplies
- (7) Printed Forms

2. The Food Service Warehouse Facility:

A. This facility is located at 4115 Watkins Drive and is utilized for the receipt, storage and distribution of food and food related products (purchased and USDA donated) needed to support the District food service program. Three vehicles make daily deliveries to all instructional center lunchrooms.

B. The following categories of items are warehoused in this facility:

- (1) Food Service Food Products
- (2) Food Service Janitorial Supplies
- (3) Food Service Paper Goods
- (4) Food Service Supplies
- (5) USDA Donated Food Products

3. The Maintenance Supplies and Material Warehouse:

A. This warehouse is located at 101 Near Street, within the Enochs Complex. The supplies and materials needed to support the Plants function of the District are housed in this facility. Maintenance personnel, who are also housed at the Enochs complex, requisition and pickup all parts which, are disbursed from this warehouse.

B. The following types of supplies and materials are warehoused here:

- (1) Carpentry Supplies
- (2) Electrical Supplies
- (3) Paint and Paint Supplies
- (4) Plumbing Supplies
- (5) Site Care Supplies
- (6) Security Supplies (Locks, etc.)

4. The Athletic Warehouse:

Located at the Enochs Complex also, adjacent to the Maintenance Warehouse, this room is utilized to store the supply items required to support the District's varsity athletic programs for all sports (football, basketball, baseball, track and field, etc.). As items are requisitioned by schools some items are delivered by the Central Warehouse delivery system but most are picked up by designated school personnel (coaches).

5. Receiving Merchandise

1. The supervisor shall designate a warehouse employee as the incoming warehouse clerk. These clerk duties shall include but not limited to, receiving all incoming stock items and preparing them for shelving or delivery. It is the supervisor's responsibility to see that all items that are received are (a) shelved in the proper bin or (b) if it is a non-stock item to see that the items(s) is delivered to the user department requesting them immediately.
2. **Receiving Clerk** – The supervisor shall designate an employee to act as a liaison person with UPS and other delivery services in order to facilitate the receipt of such incoming packages.

3. Shelf all Items Upon Receipt:

- A. Common sense dictates that items which have been ordered and received should be placed in the correct bin as soon as possible. This should be done for two reasons: (a) to discover any concealed damage which may not be visible from the exterior; the purchaser has seven days from the date of delivery to report any such damage to the vendor or the freight line (b) to minimize theft of items sitting in the middle of the warehouse begging to be stolen and (c) to place

the item in the bins in order that the item may be pulled by stock clerks as requisitions require; the possibility exists that items may be marked as “backordered” on a requisition when in fact they are in the warehouse but have not been shelved. Or worse! The items are ordered in a small quantity on an item on an informal bid to “get bye” while cases of the same item were unknowingly on the floor to be stocked.

B. If the item is of a “non-stock” nature, a pre-designated space in the warehouse shall be assigned to the items prior to receipt. This space shall insure security until user department signs for the items.

4. **Damage** – each received shall be promptly checked for exposed and concealed

Damage, to the extent possible. Supervisors shall immediately report all damage to merchandise to the freight line or vendor delivery service.

Storage Management and Housekeeping

1. **Space Allocation** – the warehouse supervisor shall perpetually review the space available for warehouse stock. There is often too much complaining about a lack of space and too little utilization of existing space. The present layout of stock items shall be constantly reviewed. The entire warehouse facility should be perpetually analyzed in an attempt to improve the present method of stock item organization, keeping in mind the following:

A. Those items requiring special handling

B. Large volume stock of an item which may require temporary reallocation of storage space

C. Vertical space which is available if items are palletized and not merely set on the floor

D. Access to high usage items with minimal time and effort required to pull such items from stock

E. Security for stocked items

- F. Consideration should be given to those stock items, which require climate control attention (heat and cold).
2. **Personnel Allocation** – delegate non-managerial duties and responsibilities; this is necessary in order for a supervisor to spend adequate “time on task” and not become sidetracked performing clerical work.
3. **Security of Stock:**
- A. Certain items by their very nature “sprout feet” and walk away. All workers shall be clearly advised and fully understand the District’s policy concerning theft; pilferage and theft of any nature shall not be tolerated and shall be grounds for immediate termination, **NO EXCEPTIONS, NO APPEALS**. Items which are easily removed from stock and which are “popular” (garbage can liners, pens, batteries, etc.) should be placed in the “Special Storage” areas which have been designated, in each of the warehouse facilities.
- B. Supervisors shall make certain that there is at least one warehouse employee in the warehouse during working hours, without exception; under no circumstance should any facility be left unattended.
- C. The warehouse supervisor is responsible for the facility perimeter security system; i.e., the placement of the system in the “on-line” mode at night (5:00 p.m.) and the deactivation of the system at 8:00 a.m. on each work- day. An employee should be assigned this task and a “back-up” person designated to act in the absence of the primary security system attendant
4. The turnaround time for filling order, under normal operating conditions, shall be minimum of forty-eight hours. It shall be the goal of all warehouse supervisors to fill orders utilizing the following turnaround schedule – any requisition received in the warehouse by noon one day shall be filled by the close of the next day, if at all possible.

5. **Safety** – all pallets, forklifts and other equipment and tools shall be kept out of the work areas. All fire protection practices shall be known and exercised and each shall be made a part of each employee's daily routine; fire prevention is everybody's job. Place fire extinguishers where required and instruct all employees as to their proper use; keep all fire doors closed.
6. An employee shall be assigned the duty of removing all packing materials from the warehouse on a **DAILY** basis. Likewise, all refuse containers shall be emptied on a **DAILY** basis. Any chemical agents which are stocked in the warehouse shall be done so according to the manufacturer's labels on the container.
7. **Cost Effectiveness** – the mismanagement of stock supplies and materials can offset the positive results of effective purchasing. The goal is not to reorder after the stock becomes depleted, but to anticipate usage and reorder when the inventory level reaches the minimum balance. All warehouse supervisors shall conduct business as supervisors and not merely storeroom attendants. In all phases of the work process the question should be posed – “is this being done in the most cost effective manner?” If it is not, then make suggestions and/or change it. Use common sense and good judgement in daily decisions concerning the operations; insure that all actions are of a cost-effective nature.
8. **Shelf Life** – effective storage management requires that certain items be rotated in order that the product life is extended. The idea is to fill orders using the oldest items first and not the newly purchased items. For those items applicable, product inspection and rotation should be performed monthly. All stock shall be rotated on a pre-established basis (daily); likewise, any stock requiring climate control to insure product freshness should be placed in the air conditioned room. These items include but are not limited to – computer floppy diskettes, batteries, paper which includes carbon, etc.
9. **Is What Was Ordered What Was Received?**
 - A. Shall check the brand name and model number which is provided on the pink copy of the purchase order to make certain that a vendor is not substituting products from those which were bid

and ordered. Notify the Director of Finance of any vendors, which are caught engaging in this practice.

- B. Be careful in receiving and “checking in” all items delivered by vendors; make certain that the quantify and the unit of measure (each, dozen, etc.) are in harmony. Check for external damage and report it to the vendor and/or the freight line immediately.
10. **Cleanliness** – a clean warehouse offers the impression of being efficient. Keep all windows and doors shut that do not need to be open. Assign personnel the duty of sweeping and periodically damp moping warehouse floors to protect stock from dust accumulation; check to see that this duty is carried out. What teacher wants to receive a binder with one inch of dust on the top? Or what is a Food Service managers’ impression of a can of fruit that is rusted on which the label has turned yellow and is peeling? A dusty floppy diskette can ruin a computer drive (\$200.00).

Filling Requisitions

1. Stock clerks shall familiarize themselves with the location of all items stocked in the warehouse facility. Requisitions should not be allowed to accumulate and shall be filled immediately on a “first come – first serve basis”. All items shall be pulled from stock in an organized manner, minimizing walking time. **NOTE:** All items for which a correct requisition is received in the warehouse by 3:00 p.m. shall be filled the following day.
2. As items are pulled from stock by one stock clerk to the extent possible, another clerk shall check reconcile the items pulled with the written requisition to ensure that the correct items were and quantities pulled from stock.
3. All items shall then be taken to the “packing area” and boxed or packaged by the clerk. From here the items are placed in a “holding area” awaiting the loading process by the driver. To serve as a check and balance, time permitting, one stock clerk shall check the work of

another, insuring that what was requisitioned is what was pulled and is going to be delivered.

4. **Marking of Packages** – it is imperative that all outgoing boxes and packages be marked by stock clerks in a legible manner in order that drivers deliver the correct items to the correct locations.
5. **Once** packages have been loaded in vehicles awaiting delivery, the supervisor shall check each vehicle to ensure that only items contained on all requisitions accompanying the delivery of the merchandise are included in the vehicle.

Distribution of Merchandise

1. The warehouse supervisor shall assume the responsibility of seeing that the delivery and unloading of supplies at the delivery sites is executed in a safe and orderly manner. Extreme care and planning should occur in the execution of this phase of the warehouse process. All good efforts can break down at this point if items are not delivered on time in an orderly and courteous manner. This is the only personal, “one-on-one” contact which the warehouse has with the user departments. Drivers shall be courteous and businesslike in all dealings with other school district personnel. Drivers shall be dressed appropriately and shall present a good image to all they come in contact with.
2. Delivery schedules and routes shall be coordinated by the supervisor with the approval of the Director of Property Accounting. Where required, the city shall be zoned into three (North, Central, and South) runs and a driver and the vehicle assigned to each. Each driver shall make deliveries on a scheduled basis as determined by the warehouse supervisor, and shall likewise make “special runs” as directed by higher authority.
3. Drivers shall secure their delivery tickets, and load the supplies to be delivered into the vans. Each driver shall then make their run, delivering requested items and mail and picking up items at each site. Driver shall then return immediately to the warehouse, to perform all duties included in their daily work cycle and prepare for the following day.

4. Warehouse deliverymen shall not drive on school campuses and shall obey all traffic regulations both on campus and public thoroughways.
5. **Delivery Ticket and Receipts:**
 - A. Along with all stock items, which are to be delivered, the warehouse deliverymen shall take two copies of the warehouse requisition, which contains the list of items (item number, description, unit, unit price, total price) which are to be delivered. The designated receiving party in each or administrative department shall sign both copies of the warehouse requisition which shall serve as the delivery ticket accompanying all items which are delivered. The signed copy of the ticket shall be retained by the user and shall be filed for accounting purposed in the principal's office or the office of the department head. The signed original of the requisition/delivery ticket is returned to the warehouse where it is filed numerically within user school or department.
 - B. No merchandise shall be left at any location by the deliverymen unless; the delivery ticket has been signed by a designated party to receive stock items, at that location, **NO EXCEPTIONS.** If there is no one at the location to sign for the goods, or if the party receiving the merchandise refuses to sign to the items being delivered, the merchandise shall be returned to the warehouse and the school or department can make arrangements to pick the merchandise up.
 - C. Should an item which is listed on the delivery ticket, not be included in the packages being delivered, the party receiving the merchandise shall so note the fact on the delivery ticket, initial the ticket, retain the correct copy of the ticket, and allow the deliverymen to return the noted ticket to the warehouse supervisor. The warehouse supervisor shall then question the clerk, which filled the order, to ascertain why the commodity was not included in the delivery. If an honest error was made, the correct item, which was not delivered, shall be pulled from stock and delivered to the school or department at no charge since the budget has previously charged for the item(s). A copy of the original requisition shall accompany the items when it is

delivered, and the item(s) involved shall be circled on the ticket to clearly indicate that the item in question is being delivered. Upon receipt of the item in the school, the receiving party shall initial the ticket acknowledging that the item(s) were in fact received.

- D. Should any questions arise, concerning whether an item was delivered and/or received at a user school or department, the signed delivery ticket shall satisfy any such argument. Designated parties receiving merchandise delivered to their location shall be instructed to inspect the merchandise upon delivery and to report any inconsistencies at that time. The warehouse deliverymen are instructed to wait a reasonable amount of time to allow the party receiving the goods to inspect the items.
6. **Vehicles** – one area of increasing overhead costs is that of vehicle operating expense. Supervisors shall use good judgement in operating and maintaining vehicles required for the delivery of all items. Preventive maintenance such as oil and filter changes shall be initiated with the Vehicle Service Center. Tire wear and replacement should be scrutinized. The proper loading of trucks should be carefully done in order not to damage the suspension systems. Vehicles must offer 8-10-year minimal service to JPSPD and care must be taken to prohibit any premature depreciation.

General Responsibilities of the Warehouse Supervisor

1. Planning Stock Needs:

- A. WEEKLY/MONTHLY, supervisor shall review “Warehouse Inventory lists” to ascertain which items require re-ordering, prior to reaching the minimum balance point for that item.
- B. In order to sustain the level of inventory needed, a request, to replenish stock, shall be submitted to Purchasing. A **“Warehouse Inventory Listing”** printout, accompanied by a “Requisition to Replenish Warehouse Stock”, with the quantity indicated, **IN RED**, next to the item number on the printout,

should be forwarded as soon as the need for additional stock is known.

- C. Overhead reduction and savings are realized in supply expenditures through infrequent, large volume orders, not small orders every other day.
- D. The supervisor shall be expected to work with the leadership in the areas for which items are being stocked, to ensure that what is being stocked is what is needed. This procedure cannot be done once, then forgotten, it must be ongoing. Likewise, the supervisor should work with user supervisors to ascertain if certain projects shall evolve in the near future which may require an unusually quantity of stock items, uncharacteristic of past usage.
- E. **Replenishment of Warehouse Stock** – the warehouse supervisor in order to replenish the quantity of stock for those items deemed to be below the desired stock level. Submits to the Purchasing Department a computer printout indicating by item number the quantity of each item, which is to be obtained to bring the stock level to the desired level. The Inventory Activity Report is utilized, balancing the “Balance On Hand”, the “Year to Day Usage”, and the “Minimum Balance” to ascertain an accurate quantity which is required to satisfy the needs of the period, for which the stock is being purchased. This process is performed on a cyclical basis, usually three times per year, for each category of items stocked.

Documentation of all items, which are purchased to replenish stock, shall be filed in the Purchasing Department under each warehouse name.

- 2. **Minimum Balances** – for each stock item it is the responsibility of the supervisor to determine what the most economic balance on hand should be, based on past experience, delivery lead time, past and current product usage, etc. Determine the quantity desired on hand at all times and submit to Purchasing a “**Warehouse Inventory Listing**” printout accompanied by a “Requisition to Replenish Warehouse Stock”, with the quantity indicated **IN RED** next to the item number on the printout.

Legal means of obtaining the items shall be followed by the purchasing Department and the items shall be shipped expeditiously. The supervisor shall not order stock items without prior approval of central purchasing.

3. The use of informal bids and state contracts to purchase stock items in smaller than desirable quantities in order to “get by” until legal larger purchases of the items can be made is to be prohibited. The warehouse supervisor shall carefully analyze the volume requirements for each item to be stocked and carefully consider the following:
 - A. Consumption or issue experience.
 - B. Shelf life of the item.
 - C. Time required bidding the item, place and receiving the order, with a margin of safety built in.
 - D. Fiscal year budgeting.
 - E. The seasonal nature of the item (example – calendars).
4. **Labeling of Items** – the bins containing all stock items shall be labeled as to Item Number and Description insuring that each item has been accurately and positively identified.
5. **Process Paperwork Daily** – vendors selling to JPSD many times have to borrow funds at 1.5% or greater per month in order to secure the products from their suppliers and sell to us; when they deliver the items satisfactorily, they are due payment **IMMEDIATELY**. The supervisor’s job includes the execution of all paperwork **DAILY, NOT WHEN TIME PERMITS**. The supervisor or an assigned employee shall attend to the following on a daily basis:
 - A. File all copies of purchase order pink copies in such an organized manner so as to have ready access to each upon completion of an order.
 - B. Maintain a file of all vendor delivery tickets for quick reference.

1. Upon completion of an order, supervisor shall sign and date the pink copy and forward it to the Purchasing Department; the green copy shall likewise be signed and dated and filed for warehouse records.
2. **DAILY**, upon the receipt of any item, a Receiver Record shall be entered in order that the item may be placed into the computerized database.
3. **DAILY**, requisitions which are received in the warehouse, shall be given to the stock clerk(s) and filled and it shall be insured that all requisitions are filled in the system.



**JACKSON PUBLIC SCHOOL DISTRICT
PROPERTY ACCOUNTING DEPARTMENT
Jackson, Mississippi**

FURNITURE AND EQUIPMENT TRANSFER REQUEST

FROM: _____ DATE OF AUTHORIZATION: _____
(Present Location)

TO: _____ JOB TICKET NO.: _____
(Destination)

DESCRIPTION	QUANTITY	BAR CODE	SERIAL NUMBER	MODEL	ASSET NO.

Comment: _____

FORWARDED BY: _____ DATE: _____
(Principal or Department Head Forwarding Asset)

RECEIVED BY: _____ DATE: _____
(Principal or Department Head Receiving Asset)

ACKNOWLEDGED BY: _____ DATE: _____
(Property Accounting Office)

WHITE — PROP. ACC.

GREEN — PROP. ACC.

CANARY — ADM. TEAM MEMBER

PINK — RECEIVING

GOLDENROD — FORWARDING

JACKSON PUBLIC SCHOOL DISTRICT

**Assignment of Fixed Assets
(Hand Receipt)**

TO: **Property Manager**

FROM: _____
 (Employee's Name)

DATE: _____

This is to verify that I have the equipment listed below and I am using it to conduct official school district business.

<u>Description of Equipment</u>	<u>Serial Number</u>	<u>Bar Code</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Signature)



SCHOOL OR ADMINISTRATIVE DEPARTMENT _____ DATE _____

[illegible]

COMMENT: _____

53

JPSD HAND RECEIPT

JACKSON PUBLIC SCHOOL DISTRICT

FIXED ASSET HAND RECEIPT

To: _____

Date: _____

From: _____

Department/Division

Location

This is to certify that the equipment as listed below will be used to conduct official school business off campus. The

Department Head/Principal has been advised and approves this action.

Department Head/ Principal

Signature

Item Number	Barcode Number	Description	Serial Number	Cost	Condition

I the undersigned acknowledge receipt of the above listed District Property and accept the responsibility for the same, and understand that I am accountable as if it were on my own property records.

Signatures

Date

Name Printed or Typed

Name of School