

## **INVENTORY POLICY AND PROCEDURES**

SAGE COLLEGIATE will maintain a system of inventory management, including records of inventory, that complies with 2 CFR 200. 313(d) to ensure full accounting of all grant funds expended for purchase of equipment, supplies, or other tangible property in connection with each grant program. Inventory records will be made available for all reporting requirements, monitoring activities, and for program performance and fiscal audits.

The SAGE COLLEGIATE inventory management system is part of the financial grant management system; includes records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal grant subaward; is sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and is sufficient to permit the tracing of funds to a level of expenditure adequate to establish that such funds have been used according to the federal statutes, regulations, and terms and conditions of the federal grant subaward.

SAGE COLLEGIATE personnel involved in maintaining the inventory management system will be familiarized through regular and comprehensive training with the policy and procedures described here and will appropriately and consistently implement the policy and procedures as described.

### **A. Definitions of Inventory**

We adhere to the definitions provided by Uniform Guidance which can be found [here](#) from the federal government.

### **B. Inventory Management System**

The SAGE COLLEGIATE uses Google Admin platform and Excel spreadsheets to document and track all inventory. Data is stored on shared drives so the leadership and operations teams can access it.

### **C. New Inventory Procedure**

1. Authorization for inventory purchases is acquired through the accounting system or by email notification, and then approved on Purchase Order (PO) forms after verifying the allowability of the costs and availability of funds. Only authorized items will be considered for purchase. Specific funding sources must be identified prior to authorization to obligate funds and approval of purchase orders.
2. Once an approved PO is submitted to a vendor, the original order documentation and PO are provided to the DIRECTOR of OPERATIONS. Upon delivery, a copy of the invoice and packing slips are also submitted to the DIRECTOR of OPERATIONS. Hard copy records are stored in a locked filing cabinet and electronically on a shared, protected Google Admin platform and Excel documents consistent with the SAGE COLLEGIATE

records retention policy.

3. Upon receipt of new items, the DIRECTOR OF OPERATIONS will inspect the inventory to ensure it's in good condition and that it matches the item(s) specified on the purchase order, invoice, and packing slip. Items are then identified and tagged, and inventory information is then entered into the tracking systems by the Director of Operations within one week of receipt of items.
4. After new inventory has been identified, tagged, and entered to the tracking systems [INVENTORY MANAGEMENT SYSTEM], items are stored where applicable, i.e. Chromebooks are stored in classrooms.].

#### **D. Inventory Information & Records (pursuant to 2 CFR 200.313(d)(1))**

Inventory records will be maintained that include: a description of the property, a serial number or other identification number, source of funding for the property including the Federal Award Identification Number (FAIN), who holds title, the acquisition date, the cost of the property, the percentage of federal participation in the project costs for the federal award under which the property was acquired, the location of the property, the condition (including if lost, damaged, or stolen) and current use of the property, and disposition data (date of disposal and sale price of the property).

#### **E. Physical Inventory (pursuant to 2 CFR 200.313(d)(2))**

Annually, in June, a physical inventory is conducted. Inventory records from the tracking systems are printed and all property items are reconciled by the Operations team. Updates are made as needed in the tracking systems. Records from the physical inventory are reviewed and approved by the Director of Operations and stored according to the records retention policy for Sage Collegiate.

#### **Maintenance of Property (pursuant to 2 CFR 200.313(4))**

Annually, the operations team, lead by the Director of Operations, will collect all inventory. On a monthly basis, a check of all student technology (i.e., Chromebooks) is conducted.

#### **Controls to Safeguard Property (pursuant to 2 CFR 200.313(3))**

- Computing devices stored in areas that can be locked and/or stored in a locked classroom. Computing devices must be checked out by a certified teacher or paraprofessional and to be used within the school building only and are not allowed to be taken off-site, unless checked out to facilitate required distance learning. In this case, students' adults must sign an agreement notating proper care and replacement costs.
- If the equipment is lost or suspected to be stolen, the Director of Operations is notified. If the device is suspected of being stolen, the Executive Director is also notified in order to launch an investigation into the stolen device. The Executive Director would conduct

interviews and file a police report if necessary. Inventory records (condition of property) in the Google Admin platform and Excel documents will be updated by Director of Operations to note that the property was lost, damaged or stolen. Records of the investigation will be maintained according to the Sage Collegiate records retention policy.

### **Disposal of Equipment (pursuant to 2 CFR 200.313(e))**

a. **Title.** Subject to the requirements and conditions set forth in this section, title to equipment acquired under a Federal award will vest upon acquisition in the non-Federal entity. Unless a statute specifically authorizes the Federal agency to vest title in the non-Federal entity without further responsibility to the Federal Government, and the Federal agency elects to do so, the title must be a conditional title. Title must vest in the non-Federal entity subject to the following conditions:

1. Use the equipment for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project.
2. Not encumber the property without approval of the Federal awarding agency or pass-through entity.
3. Use and dispose of the property in accordance with paragraphs (b), (c), and (e) of this section.

b. **General.** A state must use, manage and dispose of equipment acquired under a Federal award by the state in accordance with state laws and procedures. Other non-Federal entities must follow paragraphs (c) through (e) of this section.

c. **Use.**

1. Equipment must be used by the non-Federal entity in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award, and the non-Federal entity must not encumber the property without prior approval of the Federal awarding agency. The Federal awarding agency may require the submission of the applicable common form for equipment. When no longer needed for the original program or project, the equipment may be used in other activities supported by the Federal awarding agency, in the following order of priority:

- (i) Activities under a Federal award from the Federal awarding agency which funded the original program or project, then
- (ii) Activities under Federal awards from other Federal awarding agencies. This includes consolidated equipment for information technology systems.

2. During the time that equipment is used on the project or program for which it was acquired, the non-Federal entity must also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by Federal awarding agency that financed the equipment and second preference must be given to programs or projects under Federal awards from other Federal awarding

agencies. Use for non-federally-funded programs or projects is also permissible. User fees should be considered if appropriate.

3. Notwithstanding the encouragement in § 200.307 to earn program income, the non-Federal entity must not use equipment acquired with the Federal award to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute for as long as the Federal Government retains an interest in the equipment.

4. When acquiring replacement equipment, the non-Federal entity may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

d. *Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

1. Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

2. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

3. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.

4. Adequate maintenance procedures must be developed to keep the property in good condition.

5. If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

e. *Disposition.* When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions, the non-Federal entity must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:

1. Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further responsibility to the Federal awarding agency.

2. Except as provided in § 200.312(b), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained by the non-Federal entity or sold.

The Federal awarding agency is entitled to an amount calculated by multiplying the current

market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.

3. The non-Federal entity may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the non-Federal entity must be entitled to compensation for its attributable percentage of the current fair market value of the property.

4. In cases where a non-Federal entity fails to take appropriate disposition actions, the Federal awarding agency may direct the non-Federal entity to take disposition actions.

board approved, June '20