

# STANDARD OPERATING PROCEDURES:

## Inventory



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# Inventory

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# 1. INTRODUCTION

## 1.1. Overview

New York State Education Law (Section 2554, paragraph 4) specifies that "the Department of Education...shall...prescribe rules and regulations for the preservation of [its] property." This includes responsibility for taking a comprehensive inventory. In addition, federal property management requirements call for policies and procedures to manage and account for equipment purchased with federal funds under federal-direct and State-administered programs (reimbursable programs).

This chapter delineates exactly what items of equipment, types of supplies, or materials must be inventoried, how often, by whom, and by what method. The maintenance of accurate inventories of equipment, supplies, and textbooks is an important factor in creating the atmosphere necessary for effective teaching and learning. Inventory records that are up-to-date and accurate can guide a site administrator in ordering new materials, maximizing the use of resources on hand and in minimizing loss or theft.

## 1.2. Definition of Terms

**Annual Inventory:** The actual physical count of textbooks, equipment and supply items conducted once a year (in the spring) at a site. While all DOE locations must conduct an annual inventory, schools must confirm that an annual inventory was conducted by submitting an *Annual Inventory Statement*. The statement is electronically forwarded to the Field Support Center for review.

**Computer Software:** For inventory purposes the term is used for all purchased, licensed computer software whether used for administrative or instructional purposes.

**DOE Facility:** Any site, whether owned or leased, at which Department of Education activities take place. An annual inventory is conducted even at a leased site.

**Equipment:** Items which can be reused or which maintain their character through use. Examples may include, but are not limited to, computers (desktop and laptop), tablets (for example, iPads), video cameras, TV sets, audio recorders, science lab equipment, musical instruments, digital cameras, DVD players, etc. must also be inventoried.

**Funding Source:** Since funds are provided to purchase equipment from multiple funding sources for specific purposes, the federal or state funding source (reimbursable funds) under which the item was purchased (Quick Code) must be noted in inventory along with its percentage of the cost/amount of the equipment (e.g., Title 1 School-Wide Projects 01041675 50%/\$500).

**Fixed Asset:** An item of equipment whose original purchase price equals or exceeds \$35,000.

**Inventory Officer (IO):** An all-inclusive term to describe the individual selected by the site administrator (this may be the Field Support Center director, superintendent, executive director, school principal or head of office) whose major responsibility is to coordinate all aspects of inventory control including, but not limited to the removal of obsolete equipment (except for obsolete computer equipment), supervising and handling all records related to the physical inventory of all supplies, materials, textbooks, etc., and overseeing the receipt and removal of inventoried items. This position should be rotated periodically as a means of internal control.

**Published or Copyrighted Materials:** See Textbooks. (This term includes computer software as well as audio and videotapes used for educational purposes).

**Serial Numbers:** Usually marked indelibly on items of equipment as a means of maintaining inventory and discouraging theft.

**Site:** Usually refers to a school, but it might also be a regional or central office or an alternative education site or satellite location.

**Site Administrator:** The person charged with the operation of the site in question. It may be a principal, program coordinator, or a division director.

**Storage Facility:** Any closet, room or cabinet where instructional or office supplies, equipment, and textbooks are stored for safekeeping and control.

**Supplies:** A supply item is any article which meets one or more of the following conditions: (1) is consumed in use or loses its identity through incorporation into a different unit or substance; (2) loses its shape or appearance with use; and (3) is expendable (cheaper to replace than to repair; generally purchased in object code 100 series).

**Textbooks:** For inventory purposes the term is used for all published and copyrighted materials of an educational/instructional nature. It does NOT include library books and books used for administrative, office, or reference use.

## 2. REGULATIONS

### 2.1. Responsibility for Inventory Records

All DOE work sites including schools, field offices, and central offices, must conduct an annual inventory. Schools have the additional responsibility of submitting a certification via FAMIS that the annual inventory was accomplished. Site administrators (for example, a principal or office director) are responsible for performing the annual physical inventory, in accordance with the procedures outlined in this chapter. The purpose of the annual inventory is to reconcile equipment, supplies, and textbooks on hand with the inventory records on file. In addition to the annual inventory, site administrators are also responsible for maintaining and updating the inventory records for his or her site throughout the year, and for removing (discarding or transferring to another DOE site or outside entity) obsolete equipment from his/her site.

While the primary responsibility for maintaining inventory records rests with the site administrator, he or she may designate appropriate staff to act as the Inventory Officer (IO). The IO is to prepare and maintain inventory records throughout the year. Individuals in a title above that of site administrator (such as a superintendent or an executive director) also have the responsibility to see that the records of inventory are maintained, updated at required intervals, and reported as needed to city and state agencies.

For internal control purposes, assignment of the IO should be periodically rotated among staff at the site. Whenever any item is delivered to a site, the person responsible for accepting it verifies the receipt of the shipment and advises the IO who has the responsibility for storage, distribution and inventory control.

The Office of Auditor General of the New York City Department of Education (OAG) includes inventory procedures in its annual field audits. Therefore, copies of records related to inventory must be readily accessible for inspection and audit by OAG, as well as by the City Comptroller and authorized state, and/or federal officials.

Failure to conduct and properly maintain adequate inventory records in accordance with this chapter will require corrective action and may result in possible disallowances by the funding source.

### 2.2. Retention Guidelines

The chart below details the minimum length of time that school officials must retain their records and property before they may be disposed of legally, as established by the New York State Education Department (NYSED) and stated in its [Records Retention and Disposition Schedule ED-1](#).

The purposes of the retention guidelines are to ensure that:

- For administrative, legal and fiscal purposes, records/property is retained as long as needed;
- State and federal record/property retention requirements are met;
- Record/property series with enduring historical and other research value are identified and retained permanently; and
- A documented systematic disposal approach of unneeded records/property is maintained.

The retention guidelines are as follows:

Item	Retention Period
<b>Property inventory records:</b> Buildings, facilities, vehicles, machinery and equipment, including "fixed assets" records and textbooks	6 years after superseded by updated inventory, or 6 years after replacement, sale, or discontinuance of use of all property listed, whichever is sooner
<b>Inventory of supplies</b>	6 years
<b>Data processing operating procedures:</b> Records of procedures for data entry, the operation of computer equipment, production control, tape library, system backup, and other aspects of a data processing operation	3 years after procedure is withdrawn, revised, updated, or superseded
<p><b>System backup files:</b> Copies of master files or databases, application software, logs, directories, and other records needed to restore a system in case of a disaster or inadvertent destruction</p> <p><b>NOTE:</b> Backups used to document transactions or retained for purposes other than system security are covered by the relevant sections of this Schedule. For fiscal systems, monthly system backups are often retained for the entire fiscal year to provide an audit trail, and annual system backups are retained to meet all legal and fiscal requirements in lieu of copies of the individual master files or databases. These records should be disposed of using items from the Fiscal section of this Schedule. It is advisable that for many application systems 2 or 3 copies of backups be produced during each cycle.</p>	<p>0 after 3 system backup cycles (i.e., 3 system backup cycles must be maintained at any given time)</p>

### 2.3. Important Dates

- The annual inventory (physical count) of supplies stored in bulk, equipment (including computer equipment), computer software, textbooks and other copyrighted educational materials stored at a site is required to be completed by mid- to late-April of each year (the exact date will be announced annually – in advance – in Principals' Weekly).
- Within 30 days of completing the inventory yet before the annual due date in April, schools must submit an *Annual Inventory Statement* via [FAMIS](#). Field Support Centers (FSC) will monitor submission of the statement to ensure that all schools have submitted a completed form by the deadline.

## 2.4. Categories of Property that are Inventoried

All schools and DOE offices (central, field, etc.) must complete an annual inventory for the following four categories of property:

- **Supplies**  
Expendable materials stored in large quantities such as paper, chalk, art supplies, writing implements, copier machine chemicals, etc.
- **Equipment**  
Items which can be reused or which maintain their character through use. Examples of equipment that must be inventoried are computers (both laptop and desktop), tablets (such as iPads), video cameras, TV sets, tape recorders, science lab equipment, musical instruments, digital cameras, DVD players, etc.
- **Textbooks**  
Published and copyrighted materials used for instruction including printed materials, audiobooks, e-books, and videotapes/DVDs used for instructional/educational purposes. This includes classroom library materials.
- **Computer Software**  
Purchased, licensed software used for instructional or educational purposes.

These items should be inventoried regardless of funding source. (For example, special education inventory items should be included in the inventory of the host school. Note that special education field supervisors are expected to make themselves available to help the site administrator, principal, or designee with this procedure.)

An inventory record is required of DOE property even if the item:

- was purchased with tax levy, or reimbursable program funds;
- was purchased with private contributions (such as PA/PTA funds) and donated to the school;
- is used at home (e.g. laptop computer)
- is operable but not in use;
- is inoperable, but scheduled to be replaced;
- is on loan;
- is currently being housed at another Department of Education site (but not on loan);
- was purchased through the Teacher's Choice program or any similar program.

Please note that the following items do **NOT** have to be inventoried:

- Workbooks after their initial distribution to classrooms. However, a "running" inventory should be kept of any stored undistributed workbooks;
- Furniture (except in the case of a final inventory conducted in anticipation of a program's end or site closure);
- Supplies (either instructional or office) unless they are stored in large quantities; and
- Library books. Librarian's traditional or computerized cataloging system will be considered as an ongoing inventory record. Funding source, for example, "NYSLIB", should be marked on all library materials (see [NYSLIB guidelines](#) on the Division of

Contracts and Purchasing (DCP) website. Disposition of damaged, obsolete or excess stock should follow the same procedures as textbooks.

## 2.5. Method of Inventory

Inventory records should be in electronic format. Inventory records may be created and maintained using Microsoft Excel or Access. The computer database should be kept at one central location. However, backup copies may be kept at multiple locations if the site administrator deems it to be advisable.

The IO at the respective site should make an entry in the inventory record as soon as the item of property is accepted at the site. The inventory record should be accessible and comprehensible to any auditors who may come to the site throughout the academic year.

Please be vigilant of the following when keeping inventory records:

- A separate entry is required for each piece of equipment purchased (including computers and other electronic devices) (Note: This does not apply to supplies, textbooks, or computer software.)
- There should be continuous updating of your inventory record, as changes occur (e.g., new inventory is purchased, inventory is distributed to staff, inventory is loaned to an individual or department, inventory is disposed of, etc.).
- A proper format should be used and complete information should be recorded for each item.
- Inventory records for each type of property (supplies, equipment, textbooks, and computer software) listing all of the items should be printed periodically as working copies. The most recent document should be kept on file. The final version of the year, produced immediately prior to the annual inventory deadline, must be printed and then signed and dated by the site administrator, confirming its accuracy. This version must be maintained on file for a period of six years as described in [section 2.2](#) above.
- Access to the inventory database should be limited to as few people as possible (for example, the site administrator and the IO) as to ensure accuracy and reduce the potential for misconduct.

## 3. PROCEDURES

### 3.1. Implementing the Physical Inventory

The site administrator through his/her IO should designate the person(s) to be specifically responsible for the counting and reporting operation. These staff members should be given every kind of cooperation including access to the previous year's inventory and access to areas where supplies or items of equipment are housed.

An update of the inventory records should be completed by mid- to late-April of each year (the exact date will be announced annually – in advance – in Principals' Weekly).

### 3.2. Inventory of Equipment

After certifying receipt of an item at the site, the IO must add this to the appropriate section of the inventory database.

**A note about computer-related equipment:** The DOE's Asset Management System (AMS) is a database containing records of all computer-related equipment (including, but not limited to, desktops, laptops, printers, etc.) that were purchased via FAMIS. School Principals have access to this system and can run a report of their computer-related equipment at any time (central and field offices do not have access to AMS). Schools should use this report as a foundation for building their equipment inventory database.

The following information must be recorded in the inventory database:

- Item Description
- Manufacturer
- Model No.
- Serial No.
- Purchase Order No.
- Purchase Order Date
- Vendor
- Warranty Period (From/To)
- Funding Source
- Cost
- % Reimbursable
- Date Received
- DOE Asset Identification Number
- Location (School/Borough/District/Room)
- Program/Project Title
- Equipment Condition (Usable/Good, Repairable, or Unrepairable)
- Equipment Use (Administrative or Instructional)
- Disposition of Item (e.g., donated, on loan, discarded)
- Equipment Transferred To (Location)

- Date Distributed
- Date Returned
- Date of Loss
- Comments

### **Labeling Requirements**

Equipment must contain a serial number or another identifying number which must also be recorded in the inventory list. Labels, engravings or other markings on the equipment do not need to include fund source, cost, date or the other items required to be present on the full inventory list. Record internal and external serial numbers as well as any other identifying marks. You can mark items using electronic pencils or invisible markers that are visible only under special lighting. Every piece of equipment should be labeled and/or indelibly marked or otherwise permanently tagged with the words "Property of the Department of Education". Also included must be the site location (for example, 10K for Public School 10 in Brooklyn) and a serial number or other ID number to cross reference the item to the inventory list. In some special situations, a vendor may not be able to engrave a piece of equipment. If so, it is suggested that the site purchase an engraving tool available at most hardware stores or acquire metallic identification tags.

The purpose of labeling is to “systematically deface” the equipment. This involves making the equipment virtually un-saleable, such as by writing or engraving the school's name in a prominent place.

**Note:** Equipment does not need to include fund source, cost, date or the other items required to be present on the full inventory list.

### **Transfers of Equipment**

When a transfer is effected (for either tax levy or reimbursable equipment), the IO at the first (original) site must create a written record of the equipment to be transferred. This record, which should include the item(s) to be transferred as well as information about the recipient, should be printed and then signed by both the IO at the donating site and a representative at the recipient site upon transfer. This record will act as a receipt. A copy should be made of the signed record; the donating site shall keep the original and the recipient site should keep the copy. Each site must update their individual school inventory records accordingly, print a copy, and attach the receipt of transfer to the inventory. All previous printed working copies of the inventory can be discarded as they are now obsolete. The original site must keep this transfer information on file per the retention guidelines found in [section 2.2](#).

### **Inventory of Equipment at Non-DOE Facilities**

In signing a [Request for Off-Site Equipment Utilization](#), the site administrator attests that the utilization of the equipment at the non-DOE site is justifiable, work-related and essential to operations. Prior to release of the equipment, the temporary transfer of inventory must be recorded in the equipment inventory database. The following information – in addition to what is listed in the Inventory of Equipment section above, should also be recorded:

- Date of temporary transfer to non-DOE facility
- Reason for off-site equipment use
- Name of employee/student using equipment off-site
- Condition of equipment at time of transfer (Usable/Good, Repairable, or Unrepairable)
- Address of off-site location

- Expected date of equipment return to site
- Actual date of equipment return to site
- Condition of equipment at time of return (Usable/Good, Repairable, or Unrepairable)

Any item that is located at a non-DOE facility at the time of the annual inventory should be included in the school's or office's inventory. The staff person(s) responsible for the equipment should appropriately log any equipment (e.g. laptop computers) used off-site by students (with written parental consent).

The off-site utilization of equipment is limited for use to the end of the school year. All equipment must be returned prior to the end of school term and be evaluated by the site IO before renewing an off-site agreement.

A suggested [sample equipment inventory template](#) is available for your use.

### 3.3. Inventory of Supplies

A supply item is any article or material that is consumed in use, loses its original identity with use, is cheaper to replace than to repair, and is too inexpensive to capitalize. For inventory purposes, one need only be concerned with supplies (educational or office) that are being stored in large quantities in one location or storeroom for subsequent distribution.

The following information must be recorded in the inventory database:

- Name of Item
- List/Item Number
- Size (if applicable)
- Unit of Measure
- Stock Location Room Number
- Department Name
- Price
- Annual Need
- Date of Entry
- Units Requisitioned
- Units Added
- Units Taken
- Explanation
- Balance on Hand

Since the supplies inventory is perpetual, a good deal of the work can be done ahead of time and a random sampling will suffice. However, a careful count must be made if there is a glaring discrepancy between inventory records and actual quantities on hand.

A suggested [sample supply inventory template](#) is available for your use.

### 3.4. Inventory of Textbooks

For the sake of consistency, the physical inventory of copyrighted teaching materials – whether printed or electronic – should be done no later than mid- to late-April of each year (the exact date will be announced annually – in advance – in Principals' Weekly). Any item of which there are fewer than ten (10) copies need not be noted. Since most of the books are in classroom use at the time of the inventory or are being stored in closets, storerooms, basements, and file cabinets throughout the school, the administrator and/or designee must count heavily on the teacher's record keeping.

Inventory records for books paid for from New York State Textbook Law (NYSTL) funds must be kept separate from other textbook inventory records. (For more details about NYSTL funded textbooks, refer to the Division of Contracts & Purchasing [website](#)).

Every published book has an ISBN (International Standard Book Number) that is a unique form of identification. Using this number will assure the person taking the inventory that there are no duplications or omissions.

Each ISBN requires its own record in the inventory database.

The textbook inventory database should contain the following information:

- Title of Publication
- ISBN Number
- Author
- Publisher
- Year
- Price
- Quantity
- Funding Source
- Subject and/or Grade
- Stored Book Room Number
- Date Received
- Quantity on Hand (Storeroom)
- Date Distributed
- Quantity Distributed
- Recipient of Distribution (Name and/or Room Number)
- Grade of Distribution
- Name of Recipient
- Date Returned
- Quantity Returned

- Book Condition (New, Good/Usable, or Old)
- Date of Loss
- Comments

The annual physical inventory of textbooks should be completed prior to implementing procedures for redistribution of excess textbooks.

A suggested [sample textbook inventory template](#) is available for your use.

### 3.5. Inventory of Computer Software

Licensed computer software must also be inventoried. The inventory database should contain the following information:

- Product Name
  - Version Number
  - Publisher
  - Year
  - Price per License
  - License Expiration Date
  - Quantity
  - Funding Source
  - Software Type (Administrative or Instructional)
  - Subject and/or Grade (if applicable)
  - Date Received
  - Quantity on Hand
  - Date Distributed
  - Recipient of Distribution (Name and/or Room Number)
  - Grade of Distribution (if applicable)
  - Comments
- A suggested [sample Computer Software inventory template](#) is available for your use.

### 3.6. Preparing the Annual Inventory

In advance of the annual inventory confirmation deadline, ensure that inventory records for each category of property ((i.e., equipment, supplies, textbooks, computer software, as applicable) are up-to-date. To help in this endeavor, schools should run a current report from AMS to help

account for any purchases of computer-related equipment that occurred over the year (central and field offices can request this information from the DIIT Helpdesk).

Once the inventory records are updated to reflect changes from the prior year, a copy of each inventory must be printed. The site administrator of the school or office (e.g., the principal or executive director) must sign and date the printed copy for each inventory category, as applicable, and filed locally at the school or office. These records must be maintained for a period of six years from the date the signature was collected.

### 3.7. Confirming Completion of the Annual Inventory

In addition to printing the final inventory for each category prior to the deadline, schools have the added responsibility of certifying completion of the annual inventory via the *Annual Inventory Statement* found in [FAMIS](#). After logging on, navigate to Miscellaneous > Inventory > Annual Inventory Statement. The form is automatically routed to the respective FSC responsible for the school. **Note:** FAMIS access is restricted to select personnel only. In schools, access is typically limited to the principal, the assistant principal(s), or his/her designee. Print a copy of the submitted *Annual Inventory Statement* and file for possible future audit.

### 3.8. Maintaining Inventory Records

As changes are made to your existing inventory throughout the year, the following steps must be taken immediately:

- Complete a new database entry for any required item that is not noted in the current inventory.
- Investigate and report any missing or stolen items per instructions in section 3.9.
- Update inventory entries to reflect any changes in the status of the items.
- If an item is in need of repair, enter this information into the inventory record. Make all necessary repairs immediately and update item's condition in the database. (A vendor's receipt for equipment sent for repair should be maintained in a file until the equipment is repaired and returned).
- Designate obsolete or unusable supplies or equipment or excess textbooks for removal or destruction.

### 3.9. Missing or Stolen Items

If, in comparing the current inventory results with that of previous year's, it appears that an item (supplies, equipment or textbooks) is missing, the site IO is responsible for taking the following steps:

- Make every effort to locate the item in question.
- Notify the principal, site administrator, or head of department if the item cannot be located.
- Ensure that the inventory database reflects the loss, and a printed copy reflecting the loss is retained on file per the chart in [section 2.2](#).
- File a report with the local police precinct. The police precinct will assign you a complaint number (Police Department Docket Number) that must be noted in the inventory database. (The date when the item was noted missing as well as the date of the last inventory should also be noted in the database).

- For computer\printer equipment the DIIT service Desk must be notified 718 935-5100.
  - If the item is a laptop, and was purchased via a RESO A Grant, CompuTrace tracking software may be installed. The helpdesk can provide instructions for contacting Absolute Software and activating CompuTrace on the device.
  - If a police report is provided, the asset will be marked as “Stolen” in AMS.
- Mail a copy of the Police Report to the [Special Commissioner of Investigation \(SCI\) for the New York City School District](#):

Special Commissioner of Investigation for the NYC School District  
80 Maiden Lane, 20<sup>th</sup> Floor  
New York, NY 10038  
Attn: Chief Investigator

- Notify the DOE’s Emergency Information Center (EIC) at (718) 935-3210.
- **For schools only:** Complete the DOE’s On-Line Occurrence Report form via the [Online Occurrence Reporting System \(OORS\)](#). You must have a Username and ID in order to access the system.
- Advise the School Safety Agent (SSA) at your site of the missing or stolen item(s). He/she will submit a report of this incident to the NYPD – School Safety Division.

**Note:** Central supplemental funds are not available for the replacement of stolen or lost equipment.

### 3.10. Storing and Securing Inventory Items

The site administrator is responsible for implementing the appropriate internal controls to ensure that all inventories, including desk and laptop computers, are maintained in secured storage areas. The IO (if one was designated) is directly responsible for securing the storage areas.

To ensure compliance, the following guidelines should be used to establish policy and procedures:

- Implement local policies and procedures to prevent unauthorized visitors from entering your DOE site. You may wish to solicit the aid of the School Security Agent (SSA) assigned to your building to assist you in this endeavor. Adopted policy and procedures should ensure that:
  - Effective visitor identification procedures are in place;
  - Staff and students issue a friendly challenge to unidentified visitors; and
  - Clear and obvious signs are displayed providing direction for all visitors.
- Choose an individual who will have the responsibility of maintaining the secure storage areas. It is recommended that this individual be the IO.
- Storage areas should be chosen for maximum security. Consider storing inventory in one or more of the following:
  - Rooms with deadbolt locks, window grills, alarms, TV cameras and additional locking mechanisms. Keys and access codes should be changed often by selected personnel only

- Rooms that are away from items or structures that can be used as ladders to gain access
- Vaults or safes
- Establish sign out procedures and policies for expensive equipment that will be used by students or staff outside of the building and periodically question whether such items have been returned.
- Portable equipment such as computers and other electronic equipment should be returned to limited access and secure storage areas during summer months and long holidays.
- Newly delivered equipment, especially computer equipment, should be stored in a secure area if site preparation has not yet been completed.
- Delivery of all new computers must be planned for well in advance of the end of the school term to ensure that they are not the subject of a potential theft.
- Advise the security staff in advance of the delivery dates of computers to ensure appropriate security upon delivery.
- Expensive pieces of equipment (such as computers) should be permanently anchored/locked into place wherever feasible and cost effective.
- Install alarms in the storage room.
- Secure all mice and keyboards with cable ties.
- Post notices to the effect that all equipment has been security marked.

### **3.11. Distributing Equipment and Supplies**

It is suggested that the contents of the inventory database and storage sites be reviewed periodically to make sure that all supplies and equipment are being fully utilized and that items are neither over nor under stocked. To avoid deterioration and obsolescence, inventory should be stored so that the oldest items are used first. Attention should be paid to the shelf life of items such as chemicals, toners, etc.

Upon distribution of any item, the inventory database must be updated to reflect the transfer of goods.

### **3.12. Conducting a Final Inventory Due to Project End or Site Closure**

When a project comes to an end or a site is closed, the site administrator has the responsibility for conducting a final inventory. This type of inventory should include furniture, computer equipment, etc. These records should be maintained at the respective site (provided the site will continue to be used by the DOE) as well as the site where the items are being relocated. An e-mail advising the FSC that a final inventory has been taken and is available at the site should be forwarded soon after the project ending or site closure. The site administrator will also have to call the DOE Service Desk at (718) 935-5100, to open a ticket and provide the information on where the computer equipment is being relocated to.

### **3.13. Disposing of Obsolete Equipment Including Computer Equipment, Textbooks, and Furniture**

Effective use of school and office building space, and consideration for the safety of personnel and students, requires the disposal of obsolete equipment and materials. Removal of such equipment may free up scarce space that can otherwise be used in a more efficient manner, such as for instructional purposes.

When faced with the decision of disposing of equipment when it is determined to be of no further use to the school or administrative office, fiscal responsibility for the expenditure of taxpayer dollars should be paramount. The objective is to achieve a return value if possible, or the most economical means of disposal.

### 3.14. Classifying Obsolete Equipment (Other than Computer Equipment)

The way in which obsolete equipment is disposed of is determined by the equipment’s condition and/or relevance. The site administrator has the responsibility and authority to make this determination. S/he may classify the equipment into one of two categories:

- Equipment that is unrepairable or not cost effective to repair (Category A)
- Equipment that is technologically and/or educationally inappropriate for the site (but possibly usable and appropriate for another site) or a safety hazard to the site (Category B)

There may be occasions when the site administrator is unable to properly “classify” a particular piece of equipment due to a lack of technical expertise (e.g., non-working piano). In this case, the site administrator may secure specific technical assistance from a specialist in this area. When doing so, attempt to use a contracted vendor, thereby eliminating the need for bidding. If unable to do so, bidding is required.

The process for disposing of both Category A and Category B equipment (other than computer equipment) is as follows:

Unrepairable/Not Cost Effective to Repair (Category A)	Technologically/Educationally Inappropriate for Site OR a Safety Hazard (Category B)
<p><b>Process in Summary:</b> Attempt to sell the items to a salvage vendor or other commercial organization/business. If unsuccessful, discard the items.</p>	<p><b>Process in Summary:</b> Advertise the equipment on the DOE website and sell if possible; if not possible, donate equipment or have it recycled</p>
<ul style="list-style-type: none"> <li>• Remove and/or scratch over all Department of Education identifying information on the equipment prior to disposal.</li> <li>• Offer the item(s) <u>for sale</u> by contacting (verbally or in writing) at least three salvage vendors or other commercial organizations/businesses that may have use for the item. Request that the vendors respond in writing with their bid for the item within 10 business days.</li> </ul> <p><b>Note:</b> If needed, you may contact the Division of Contracts and Purchasing (DCP) – (718) 935-3000 – for guidance on the bidding process.</p> <p><b><u>If responses ARE received within 10 business days:</u></b></p> <p>When an organization or business</p>	<ol style="list-style-type: none"> <li>1) Advertise the equipment for transfer (to another DOE office or school, governmental entity, or non-profit organization) or sale (to a commercial organization or business) by completing the <i>Disposition of Obsolete Equipment</i> form within <a href="#">FAMIS</a>. When completing this form, be as specific as possible when describing the item. Once the form is submitted, the item(s) will be advertised on <a href="#">Advertised Items</a> page of the DOE website for a period of two weeks. Because this is a public page, DOE schools and offices as well as other government agencies, non-profit organizations, and salvage vendors may view this advertisement. It is the responsibility of the site administrator or his/her designee (usually the IO) to respond to inquiries as received.</li> <li>2) Award advertised items according to the priorities below:             <ol style="list-style-type: none"> <li>a) DOE schools/offices within your district should be given <u>first priority</u>; instructional sites should be given priority over offices.</li> </ol> </li> </ol>

submits responses, the site administrator/IO makes the award to the highest bidder. Upon receipt of the item(s), the awarded vendor issues a check payable to the Department of Education. If the site is a school, the site administrator/IO forwards the check to his/her respective Field Support Center who in turn will forward it, along with a completed Cash Receipts form (including the appropriate OTPS codes to be credited), to the Banking and Collections Unit within the Division of Financial Operations (DFO). If the site is a central or field office, the site administrator/IO forwards the check directly to the Banking and Collections Unit along with a completed Cash Receipts form.

**If responses are NOT received within 10 business days:**

You may appropriately discard the item by doing the following:

- Arrange with the custodian to have the item removed to an area for regular Sanitation Department pickup.
- Complete the *Disposition of Obsolete Equipment* form in [FAMIS](#) and submit as required. Once logged in to FAMIS, navigate to Miscellaneous > Inventory > Disposition of Obsolete Equipment. Print a copy of the completed form and maintain in file with annual inventory records. **Note:** Authorization to enter FAMIS and secure inventory information is restricted to select personnel only. In schools, it would be the principal, an assistant principal(s), or the principal's designee.
- Remove item(s) from inventory list.

- b) DOE schools/offices within your borough should be given second priority; instructional sites should be given priority over offices.
- c) Other DOE schools/offices should be given third priority; instructional sites should be given priority over offices.

**A DOE School/Office Expresses Interest in the Item(s)**

If a school/site wants the item, the site administrator/IO should make provision for its delivery, or the requesting school/site should make provision for the pick-up of the item within five (5) business days after the closing date of the advertisement. It is the responsibility of the recipient to inspect the equipment. Both the donor and recipient sites must make certain that all inventory records are updated to reflect the change.

**A DOE School/Office Does Not Express Interest in the Item(s)**

If no interest is expressed by schools/sites within the NYC Department of Education within five (5) business days after the closing of the advertisement, the site administrator/IO must then offer the item(s) according to the priorities below:

- d) Other governmental entities (city, state, or federal agencies) should be given fourth priority. The entity must pick up the item within five business days after the close of the advertisement.

**A Government Entity Expresses Interest in the Item(s)**

If a government entity wants this equipment, the site administrator/IO should make provision for the pick-up of the items within five (5) business days after the closing date of the advertisement. The donor school/site must make certain that all inventory records are updated to reflect the change.

**A Government Entity Does Not Express Interest in the Item(s)**

If a governmental entity does not claim the equipment, it may be offered to a salvage

	<p>vendor or other commercial organization/business <u>for sale</u> according to the below:</p> <p>e) If no salvage vendors or commercial organizations/businesses responded to the advertisement, contact at least three such entities to attempt to sell the equipment. Request that the entities respond in writing with their bid for the item within ten business days.</p> <p><b>Note:</b> If needed, you may contact the Division of Contracts and Purchasing (DCP) – (718) 935-3000 – for guidance on the bidding process.</p> <p>f) Sell equipment to the highest bidder. Bidder must issue a check made payable to the NYC Department of Education.</p> <p>g) If the site is a school, forward the check to the respective Field Support Center (FSC) who will then forward it, along with a completed Cash Receipts form including the appropriate OTPS codes to be credited, to the Banking and Collections Unit within the Division of Financial Operations. If the site is a central or field office, the check can be forwarded directly to the Banking and Collections Unit along with the form.</p> <p>If no interest is expressed by a salvage vendor or other commercial organization/business, the item can be considered to have no value and may, at the discretion of the site administrator/IO, be disposed of by first offering it free of charge to a non-profit community organization who may have responded to the advertisement. If the organization wants the equipment, it must pick it up at its own expense.</p> <p>3) Obtain a receipt for the transaction from the school, office, governmental entity, non-profit, or commercial organization and retain for audit purposes.</p> <p>If no interest is expressed by a non-profit community organization, discard the item according to the following instructions:</p>
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	<ul style="list-style-type: none"> <li>• Remove and/or scratch over all Department of Education identifying information on the equipment prior to disposal.</li> <li>• Arrange with the custodian to have the item removed to an area for regular Sanitation Department pickup.</li> <li>• Remove item(s) from the inventory list.</li> </ul>
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### 3.15. Disposing of Obsolete Computer Equipment

The Department of Education (DOE) is required by federal and state law to appropriately recycle computer equipment. Improper disposal can result in substantial monetary penalties.

At the DOE, disposal and recycling may only be performed by the PCS vendors, who are contracted to perform this service. Under this contract, the PCS vendor is responsible for disposal, recycling, and EPA compliance. In addition, the PCS vendors guarantee the deletion of all DOE data on obsolete machines. Detailed procedures are available in the DIIT Computer Disposal Procedure document found on the DOE's [managed services website](#).

Once disposal is completed, the PCS vendor will certify that the equipment was disposed of in accordance with the contract and will provide the DOE's Asset Management System the information to reflect these changes.

This process ensures that the DOE's AMS is accurate and up-to-date, and per seat fees are not incurred for equipment the DOE no longer owns.

The process of disposing of obsolete computer equipment is as follows:

1. Contact the DIIT Service Desk to arrange for a pick-up: (718) 935-5100.
2. Receive detailed pick-up information and prepare obsolete equipment as necessary
3. 30-60 days after pick-up, receive a Settlement report and Certificate of Disposal from vendor stating that the items were properly disposed of
4. Remove item(s) from the inventory list.

### 3.16. Disposing of Obsolete Textbooks

Each school must identify the individual(s) who will be responsible for the coordination of the removal of obsolete textbooks. This individual should be the IO, but may be another curriculum-oriented person.

Obsolete textbooks are to be recycled according to the following:

- **Softcover Books and Paper:** Outdated and no longer needed softcover books can be placed in regular paper recycling at any time.
- **Small Amounts of Hardcover Books:** Outdated and no longer needed hardcover books must have the interior pages removed from the binding. The interior pages may then be placed in regular paper recycling. The hardcover bindings should be placed in the trash.

Please coordinate with your school's custodial staff to ensure that these materials are placed in receptacles in the correct location.

Remove item(s) from the inventory list.

Should you have questions about which materials can be recycled or have large quantities, please contact the Division of Teaching and Learning's (DT&L's) Service Center at (718) 935-3334 or [curriculum@schools.nyc.gov](mailto:curriculum@schools.nyc.gov). Further guidance can be found in DT&L's [book recycling guide](#).

### 3.17. Disposing of Obsolete Furniture

While schools and offices are not required to conduct an annual inventory of furniture, site administrators should be familiar with the procedures to follow in the event that disposal of furniture is necessary.

The site administrator is the individual responsible for determining whether furniture is no longer usable and therefore should be discarded. Prior to discarding, s/he should determine if the items can be used by another school, site, other governmental organization, or sold to a salvage vendor. If the site administrator believes this to be true, s/he should perform the following steps:

Advertise the items for transfer (to another DOE office or school, governmental entity, or non-profit organization) or for sale by completing the *Disposition of Obsolete Equipment* form within [FAMIS](#). To access the form, once logged in to FAMIS, navigate to Miscellaneous > Inventory > Disposition of Obsolete Equipment. When completing this form, be as specific as possible when describing the item. Once the form is submitted, the item(s) will be advertised on [Advertised Items](#) page of the DOE website for a period of two weeks. Because this is a public page, DOE schools and offices as well as other government agencies, non-profit organizations, and salvage vendors may view this advertisement. It is the responsibility of the site administrator or his/her designee (usually the IO) to respond to inquiries as received.

**Note:** Once submitted, a copy of the *Disposition of Obsolete Equipment* form within FAMIS is automatically routed to the school's FSC to notify it of the disposal.

Award advertised items according to the priorities below:

- a) DOE schools/offices within your district should be given first priority; instructional sites should be given priority over offices.
- b) DOE schools/offices within your region should be given second priority; instructional sites should be given priority over offices.
- c) Other DOE schools/offices should be given third priority; instructional sites should be given priority over offices.

#### **A DOE School/Office Expresses Interest in the Item(s)**

If a school/site wants the item, the site administrator/IO should make provision for its delivery, or the requesting school/site should make provision for the pick-up of the item within five (5) business days after the closing date of the advertisement. It is the responsibility of the recipient to inspect the equipment. Both the donor and recipient sites must make certain that all inventory records are updated to reflect the change.

#### **A DOE School/Office Does Not Express Interest in the Item(s)**

If no interest is expressed by schools/sites within the NYC Department of Education within five (5) business days after the closing of the advertisement, the site administrator/IO then offer the item(s) according to the priorities below:

- d) Other governmental entities (city, state, or federal agencies) should be given fourth priority. The entity must pick up the item within five business days after the close of the advertisement.

#### **A Government Entity Expresses Interest in the Item(s)**

If a government entity wants this equipment, the site administrator/IO should make provision for the pick-up of the items within five (5) business days after the closing date of the advertisement. The donor school/site must make certain that all inventory records are updated to reflect the change.

#### **A Government Entity Does Not Express Interest in the Item(s)**

If a governmental entity does not claim the equipment, it may be offered to a salvage vendor or other commercial organization/business for sale according to the below:

- e) If no salvage vendors or commercial organizations/businesses responded to the advertisement, contact at least three such entities to attempt to sell the equipment. Request that the entities respond in writing with their bid for the item within ten business days.

**Note:** If needed, you may contact the Division of Contracts and Purchasing (DCP) – (718) 935-3000 – for guidance on the bidding process.

- f) Sell equipment to the highest bidder. The bidder must issue a check made payable to the NYC Department of Education.

Forward the check to the respective Field Support Center (FSC) who will then forward it, along with a completed [Cash Receipts form](#) which should include the appropriate OTPS codes to be credited, to the Banking and Collections Unit within the Division of Financial Operations for deposit. Central and field offices should send any checks they receive directly to the Banking and Collections Unit along with the completed form.

- g) If no interest is expressed by a salvage vendor or other commercial organization/business, the item can be considered to have no value and may, at the discretion of the site administrator/IO, be disposed of by first offering it free of charge to a non-profit community organization who may have responded to the advertisement. If the organization wants the equipment, it must pick it up at its own expense.

Obtain a receipt for the transaction from the school, office, governmental entity, non-profit, or commercial organization and retain for audit purposes.

Regardless of how the items are removed, a receipt of the transaction should be retained. If the items are transferred to another entity, moving expenses should be paid by the receiver of the items.

If the site administrator is unable to discard the furniture as outlined above, he or she should:

Contact the custodian of the school/site to ask if s/he is agreeable to removing such obsolete furniture. If he/she is, it is recommended that a letter be forwarded to the custodian by the site administrator advising him/her that “X” number of chairs, desks, etc. are to be removed. A copy of this communication should be retained by both the site supervisor and custodian for possible future needs. The custodian will then remove the furniture from the premises and place it into the site’s dumpster. If the dumpster cannot accommodate the amount of furniture being discarded, the custodian should arrange with the Department of Sanitation for “bulk” removal on specified days.

**Note:** If the custodian at a school is unable to move furniture during contracted business hours, the school may need to submit a space sheet for furniture movement, along with payment for this extra service.

### 3.18. Adjusting Inventory Records after Disposal

It is also the responsibility of the site administrator to adjust inventory records to reflect the removal of the item from the site.

### 3.19. Restrictions Concerning the Disposal of Obsolete Equipment

To avoid any conflict of interest or even the appearance of impropriety, obsolete equipment cannot be sold or given to Department of Education employees or their immediate families.

### 3.20. Additional Notes about Disposing of Obsolete Equipment

1. If the original cost of a piece of obsolete equipment was over \$35,000 at the time of purchase, it is considered part of the Department of Education's fixed asset inventory. The site administrator must notify the Division of School Facilities (DSF) for appropriate disposition instructions. The DSF must also be notified if the item to be disposed of is a motor vehicle.
2. Circumstances may require that sites pay to have an obsolete item removed. For example, if an obsolete printing press weighing hundreds of pounds has to be removed by a commercial firm, it is an acceptable expense for the site to pay for its removal via the most cost-effective means. If this expense is expected to exceed \$250, standard bidding regulations apply.
3. Two key forms are completed and submitted via [FAMIS](#). Once submitted, these two forms are electronically forwarded to a central database for storage and review. The forms are:
  - **Annual Inventory Statement**  
This form must be submitted no later than 30 days after the physical inventory has been taken (must be completed no later than mid- to late-April). Upon entry into the FAMIS Portal, the site's location information will pre-populate the form; any other fields that are not pre-populated should be completed by the user. Keep a copy for your records.
  - **Disposition of Obsolete Equipment**  
This form must be filed regardless of item classification or disposition. Fields in Section I will be automatically generated upon entry into the FAMIS Portal. Anything not included should be inserted by the user. All other sections of this form are self-explanatory. Keep a copy for your records.

Within FAMIS, designated personnel at a school, FSC, or other DOE site can search for records and review all data submitted on both forms. This data will be kept in the system for one year. After that, it will be removed. It is therefore suggested that hardcopies of these forms be retained at the site for possible future audit. Note that FSC personnel review these forms to ensure that schools comply with this SOP.

## 4. INTERNAL CONTROLS AND/OR DELEGATION OF RESPONSIBILITIES

### 4.1. Delegation

It is recommended that superintendents, Field Support Center directors, and heads of central offices designate one person to coordinate all inventory activities under his/her jurisdiction. This individual will be the Inventory Officer (IO). This position should be rotated every few years as a means of internal control.

### 4.2. Internal Controls

Site administrators should periodically spot-check inventory records to see if appropriate inventory control procedures are being observed at each site. Differences between records and physical counts should be investigated and reported to management.

Inventory storage rooms should be under the supervision of the IO.

Inventory storage facilities and procedures should be examined periodically to insure that materials and/or equipment are not being under-utilized. Levels of stocked items should be established to preclude overstocking or under stocking.

All inventory items should be safeguarded as they are valuable assets of the school or site.

The ordering, receipt and inventory of equipment, textbooks, computer software and educational and administrative supplies stored in large quantities--i.e., items to be inventoried—should be performed by different individuals to help prevent fraud and theft.