

INVENTORIES

South Dakota Codified Law 5-24-1 requires that an inventory be taken annually of all personal property of the district with an acquisition value as stated in SD Administration Rule 10:02:01:01. (\$5,000.00 as of January 2000)

To ensure compliance with statute and provide a reasonable measure of control whereby district assets are properly safeguarded, an inventory control system shall be implemented with the following guidelines:

A. Responsibility

1. Proper asset accounting dictates stewardship for a particular group of assets be assigned to an individual; the areas of responsibility are as follows:
 - a. Schools - Respective Principal
 - b. Warehouse - Purchase Agent
 - c. Custodian & Maintenance - Buildings and Grounds Manager
 - d. Resource Center - Library Coordinator
 - e. Cafeteria - Student Nutrition Manager
 - f. City School Administration Center - Accounting Manager.

B. Classification and Costing

1. Assets will consist of five classifications as follows:
 - a. Land.
 - b. Buildings.
 - c. Improvements other than buildings.
 - d. Construction in progress.
 - e. Equipment.

2. The first four classifications will be accounted for by the Administrator of Buildings and Grounds. The fifth classification (Equipment) will be the responsibility of the respective building principal or other responsible party as noted in section A of this procedure.

For the purpose of inventory policy the definition of equipment as presented in the South Dakota School Accounting Manual will be used.

A. "An equipment item" is a material unit which meets the following conditions:

1. Retains its original shape and appearance with use.
2. Is nonexpendable, that is, if the article is damaged or some of its parts are lost or worn, it is usually more feasible to repair it rather than replace it with an entirely new unit.
3. Represents an investment of money which makes it advisable to capitalize the item.
4. Does not lose its identity through incorporation into a different or more complex unit or substance.

B. New items will be recorded at cost; however, for items already on inventory estimated current value will be used.

C. Equipment will be engraved or otherwise marked with the initials "RCAS."

D. Before any equipment is delivered by the warehouse the following will be recorded on the respective warehouse invoice:

1. Brief Description
2. Classification Code
3. Serial number if applicable
4. Building
5. Vendor
6. Acquisition Date
7. Cost

8. Purchase Order Number

9. Account Number

E. Equipment at the building level should then be updated immediately from the respective warehouse invoices.

Transfer/Loss/Disposal - Reporting

A. In order to maintain a perpetual inventory at the building level, a Transfer/Loss/Disposal form (TLD) must be completed every time equipment leaves a building for any of the following reasons:

1. Sold

2. Discarded

3. Traded

4. Unknown Loss

5. Theft

6. Vandalism

7. Fire

8. Wind

9. Transfer - permanent

B. Equipment may not be moved outside a building without a copy of the properly authorized form.

C. If a TLD form is not used at the time an equipment item leaves the building, it will be necessary for the principal to complete the form at the time of the next annual inventory when a shortage is determined.

D. Annual Inventory

1. An inventory shall be updated annually.

Adopted	12/15/81
Reviewed	05/24/88
Revised	01/11/94
Revised	10/27/98
Revised	06/13/00
Revised	10/26/15