Equipment Management

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Regional Finance Consultants | Division of Local Finance

TN Department of **Education**

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Agenda

- Equipment Definition
- Management Requirements
- Property Records
- Physical Inventory
- Safeguarding and Maintaining Equipment
- Equipment Disposition
- Monitoring of Equipment
- Resources

Equipment Definition

Equipment Definition

- Tangible personal property
- Unit acquisition cost equal to or exceeding the lesser of district's capitalization level or $10,000
- Useful life of more than one year
- Local policies and procedures can be more restrictive

Equipment Definition

- Approved state plans for awards may have a lower per-unit acquisition cost threshold.
  - Perkins V State Plan assigns a $500 threshold.

- The state's policies and procedures for equipment and sensitive non-capital assets do not apply to local education agencies (LEAs).

Equipment Definition

- What is your definition of equipment?

Management Requirements

Management Requirement

- LEAs must have policies and procedures for managing equipment.
- Procedures for managing equipment until disposition takes place must at least include the following:
  - Property records
  - Physical inventory
  - Control system/inventory tracking system to prevent loss, damage, or theft
    - All incidents must be investigated
  - Adequate maintenance procedures
  - Proper sales procedures to ensure the highest possible return

Use of Equipment

- Must be used in the program for which it was acquired as long as needed

- When no longer needed by the original program, may be used:
  - in other activities supported by the original Federal awarding agency that funded the equipment, or
  - in activities under Federal awards from other Federal awarding agencies

- Must be made available for use in other programs supported by the federal government, provided use does not interfere with the originally funded program use

Transfer of Equipment

- When equipment is no longer needed by the original program, how is it determined it can be used in other programs?

- If equipment is transferred to other programs, how is the transfer handled?

Property Records

Property Records

- Property records must include the following:
  - Serial number or other identification number
  - Source of funding for the property (including the FAIN)
  - Title holder (school district)
  - Acquisition date
  - Cost of the property
  - Percentage of the Federal contribution towards the original purchase
  - Location
  - Use of the property
  - Condition of the property
  - Any disposition data
    - Date of disposal
    - Sale price, if applicable

Property Records

- All required elements must be present on property records.
- For each property item, data must be maintained for each required data element.
- The LEA is responsible for maintaining and updating property records when there is a change in the status of the property.
    - Update property records regularly, as needed.
    - Do not wait for the physical inventory to make updates.
- [Property Record Template (Inventory and Disposition Listing) - Revised 4.24.25](#)

Property Record Template

| District and/or School Name _____ | | | | | | | | | | | | | | | |

All information, excluding teacher name, is required by 2 CFR § 200.313(d)(1).

Description of Property	Property Identification Number	Serial Number	Title Holder	Acquisition Date (MM/DD/YYYY)	Cost	Source of Funding	FAIN (Federal Award Identification Number)	Federal Participation Percentage	School or Other Location	Location or Room number	Teacher Name (optional)	Use	Condition	Disposition Date (MM/DD/YYYY)	Disposition Method	Disposition Sale Price

Property Records

- Who maintains the property records at your district or agency?

Physical Inventory

Why Inventory Equipment?

- State and Federal requirements
- To maintain effective control over assets
- To ensure items are being used for the intended purpose
- To ensure items are not missing or stolen
- To be good stewards of taxpayer dollars

Physical Inventory

- A physical inventory must be taken at least once every two years.
    - Local policy and procedures may require inventory to be taken more often.
- Results must be reconciled with property records.
- Records must be dated and signed by the person taking inventory (putting eyes on equipment).
- Proof of electronic physical inventory is acceptable.

Physical Inventory

- Who takes the physical inventory?

- Who maintains the physical inventory records?

- Who updates the property records after the physical inventory is taken?

Safeguarding and Maintaining Equipment

Safeguarding and Maintaining Equipment

- LEAs must have a control system to prevent loss, damage, or theft of property.
- A control system may include the following:
  - Procedures to lock rooms and buildings
  - Procedures for removing equipment from the building
  - Agreements with students' parents for technology taken home
  - Electronic methods for locating equipment
  - Regular physical inventories, including spot checks

Safeguarding and Maintaining Equipment

- LEAs must have adequate maintenance procedures to keep the property in good condition.
    - How do teachers and staff request equipment maintenance and repairs?
    - How do students report damage to or loss of equipment?
    - Do teachers and staff know the procedures?
    - Are the procedures documented?
    - Who manages this process?

Equipment Disposition

Disposition of Equipment

- Disposition data must be recorded on the property records.
  - Date of disposition
  - Disposition method
  - Sales price, if applicable and available
- Disposition data must be kept for all equipment funded by federal grants for at least five years.

Disposition of Equipment

- Equipment with a current per-unit fair market value of $10,000 or less may be:
  - retained,
  - sold,
  - disposed, or
  - no responsibility to the federal awarding agency.
- Fair market value
  - Selling price for a similar item in a competitive market
  - Advertised price for a similar item in a competitive market
- Follow local policies and procedures

Disposition of Equipment

- Equipment with a current per-unit fair market value in excess of $10,000 may be retained or sold.

- The federal awarding agency is entitled to its share:
  - Calculated by multiplying its percentage of contribution towards the original purchase by the current market value or proceeds from the sale.

- If the equipment is sold, the LEA may retain, from the federal share, $1,000 of the proceeds to cover expenses associated with the selling and handling of the equipment.

Monitoring of Equipment

Monitoring of Equipment

- Fiscal monitoring by the SEA includes a review of the LEA's equipment management.
  - LEA must have policies and procedures.
  - LEA must provide current property records, including disposition records, for all grants monitored.
- This is a focus area for federal monitoring due to the large amount of funds used to purchase equipment.
- Fiscal monitors will pull a sample list of equipment from the property records.
  - Monitors will visit multiple schools during onsite monitoring to verify the location, condition, and use of the equipment.

Common Monitoring Concerns

- Inadequate or missing policies and procedures
- Incomplete or inconsistent equipment definition
- Missing required elements on the property records
- Missing data in the required element fields on the property records
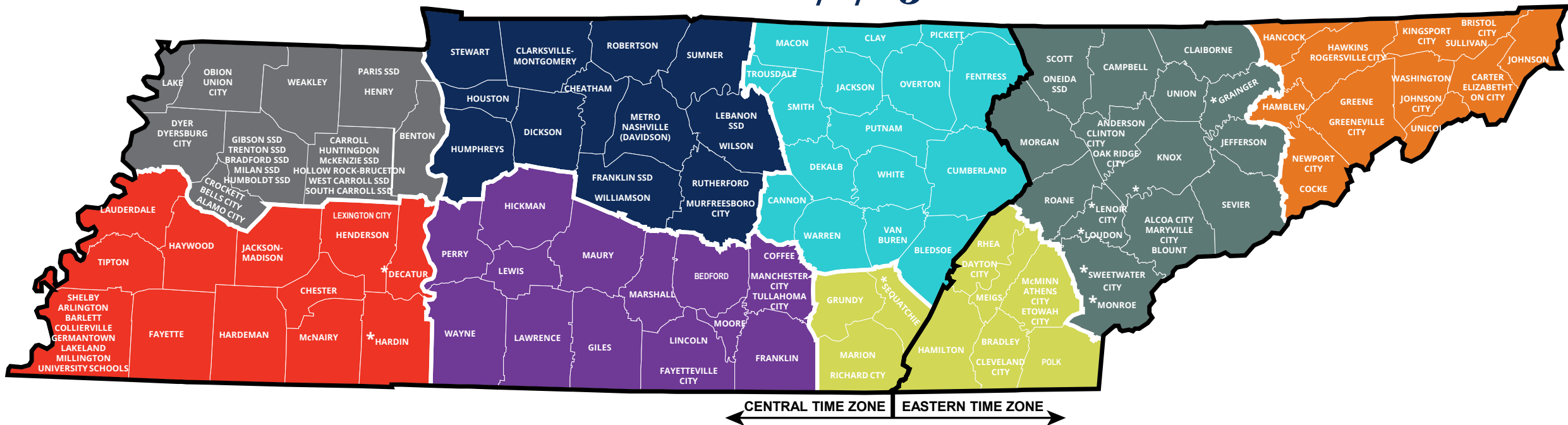- Missing disposition data

Common Monitoring Concerns

- Information on the property records is not current
- Equipment could not be located
- Physical inventory was not done timely
- Physical inventory was not reconciled to property records

Resources

Regional Finance Consultant District Map
As of 10/1/25

CENTRAL TIME ZONE ← → EASTERN TIME ZONE

Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Cindy Smith	Meribeth Carpenter	Rob Mynhier	Joshua Dehnz	Bryan Clark	Taffe Bishop	Shelby Ownbey	Jill Lewis
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*District assigned to a finance consultant in a different CORE region.

Regional Finance Consultant District Assignment
As of 10/1/2025

Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Cindy Smith	Meribeth Carpenter	Rob Mynhier	Joshua Dehnz	Bryan Clark	Taffe Bishop	Shelby Ownbey	Jill Lewis
Cindy.Smith@tn.gov	Meribeth.B.Carpenter@tn.gov	Robert.Mynhier@tn.gov	Joshua.Dehnz@tn.gov	Bryan.W.Clark@tn.gov	Taffe.Bishop@tn.gov	Shelby.Ownbey@tn.gov	Jill.Lewis@tn.gov
Districts: Alamo City Bells City Benton County Bradford SSD Carroll County Crockett County Dyer County Dyersburg City Gibson County SSD Henry County Hollow Rock-Bruceton SSD Humboldt SSD Huntingdon SSD Lake County McKenzie SSD Milan SSD Obion County Paris SSD South Carroll SSD Trenton SSD Union City Weakley County West Carroll SSD	**Districts:** Achievement Schools Arlington SSD Bartlett SSD Chester County Collierville SSD Fayette County Germantown SSD Hardeman County Haywood County Henderson County Jackson-Madison County Lakeland SSD Lauderdale County Lexington City McNairy County Millington Shelby County Tipton County University Schools WTSD	**Districts:** Cheatham County Charter Schools Commission Dickson County Dept. of Children Services Dept. of Corrections Franklin SSD Houston County Humphreys County Lebanon SSD Metro-Nashville Montgomery County Murfreesboro City Robertson County Rutherford County Stewart County Sumner County TN School for Blind Williamson County Wilson County	**Districts:** Alvin York Institute Bledsoe County Cannon County Clay County Cumberland County DeKalb County Fentress County Jackson County Macon County Overton County Pickett County Putnam County Smith County Trousdale County Van Buren County Warren County White County *Sequatchie County	**Districts:** Bedford County Coffee County Fayetteville City Franklin County Giles County Hickman County Lawrence County Lewis County Lincoln County Manchester City Marshall County Maury County Moore County Perry County Tullahoma City Wayne County *Decatur County *Hardin County	**Districts:** Athens City Bradley County Cleveland City Dayton City Etowah City Grundy County Hamilton County Marion County McMinn County Meigs County Polk County Rhea County Richard City *Lenoir City *Loudon County *Monroe County *Sweetwater City	**Districts:** Alcoa City Anderson County Blount County Campbell County Claiborne County Clinton City Jefferson County Knox County Maryville City Morgan County Oak Ridge Oneida SSD Roane County Scott County Sevier County TSDK Union County	**Districts:** Bristol City Carter County Cocke County Elizabethton City Greene County Greeneville City Hamblen County Hancock County Hawkins County Johnson City Johnson County Kingsport City Newport City Rogersville City Sullivan County Unicoi County Washington County *Grainger County

*Districts assigned to a finance consultant in a different CORE region.

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Fiscal-District Technical Assistance

- Federal Subfunds, Revenue Codes, and ALNs
- [Property Record Template (Inventory and Disposition Listing)-Revised 4.24.25](#)
- State Revenue Code Listing
- TISA Calculator
- Year-End Close One-Pagers
- Standardized System of Accounting and Reporting
- TN Comptroller of the Treasury Chart of Accounts

Fiscal - District Technical Assistance
- Conference and Meeting Materials
- Parental Leave
- State Salary Schedule
- Templates for Uploading into ePlan
- Year-end Close and Final Expenditure Reporting
- Internal School Funds Manual
- Standardized System of Accounting and Reporting 2024
- TN Comptroller of the Treasury: Chart of Accounts
- Federal Subfunds, Revenue Codes, and ALNs
- State Revenue Code Listing
- Local Finance Updates (Newsletter)
- Career Ladder Overview
- Final Expenditure Report (FER) Deadlines-FY24
- Local Finance Office Hours Link
- Per Pupil Expenditure Reporting_FAQ FY20
- Prior Period Expense Entries - Journal Entries
- Property Record Template (Inventory and Disposition Listing)-Revised 3.13.25

Resources

- **Tennessee Department of Education** Education (tn.gov)
- **Tennessee State Board of Education** Rules, Policies and Guidance (tn.gov)
- **ePlan TDOE Resources** eplan.tn.gov/
- **Tennessee Comptroller of the Treasury** Comptroller of the Treasury - Comptroller.TN.gov; Manuals (tn.gov)
- **Tennessee Consolidated Retirement System** https://treasury.tn.gov/Retirement/Information-and-Resources/TCRS-Overview-and-Self-Service
- **Tennessee General Assembly** Legislation - TN General Assembly
- **County Technical Assistance Service (CTAS) Record Retention** https://www.ctas.tennessee.edu/eli/department-education-records
- **Electronic Code of Federal Regulations** eCFR :: Home
- **Tennessee Code Annotated** Tennessee Code Unannotated – Free Public Access | Main Page (lexis.com)

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Notifications can also be submitted electronically at:
comptroller.tn.gov/hotline

Thank You!