

Memo

TO: All Cost Centers
FROM: Jessica Schindler, Senior Accountant
DATE: June 17, 2016
RE: **FY 17 Sensitive Items Update (Beginning July 1, 2016)**

As you may remember, Carroll County Public Schools was cited after the 2011 Legislative Audit for not maintaining a physical inventory of sensitive items, not performing an annual audit of sensitive items and not following-up on lost or missing sensitive items. We too recognize the need to maintain an accurate and up to date listing of sensitive items. After many conversations with schools and central office staff it has been determined that we need to provide the necessary information and guidelines to all cost centers regarding the definition, the criteria, and the coding of sensitive items. Below you will find all the essential information to determine if an item is sensitive in nature. **This memo only relates to sensitive items that are coded to 3-29** and is completely separate from the Technology Services Sensitive Items which are coded to 3-28.

Definition:

A **Sensitive Item** is defined as a tangible item that is highly prone to theft, easily moveable, concealable, portable, desirable for personal use, or easily marketable. The approximate cost should fall between \$300 and \$4,999 and must have a useful life greater than one year. If an item is donated the cost will be based on the current fair market value of a similar item. The Finance Department reserves the right to use discretion upon the review of items with a cost below \$300. The Sensitive Item account code will remain **3-29** for coding purposes. **A SENSITIVE ITEM MUST BE PURCHASED USING A PURCHASE ORDER. Absolutely no procurement card purchases, general invoicing from vendor, or personal reimbursement for sensitive items are permitted.**

Sensitive Items must meet all of the following criteria:

1. Useful life is greater than one year.
2. Is highly prone to theft, easily moveable, concealable, portable, desirable for personal use, or easily marketable.
3. Independent unit rather than being incorporated into another item.
4. Retain its original shape, appearance, and character with use.
5. Has a cost between \$300 and \$4,999 per unit (Should any items fall beneath the cost of \$300 it will be up the Finance Department to determine whether it is a sensitive item).
6. A list of sensitive items will be posted on the Finance website. The sensitive item list will be reviewed annually to add or eliminate items that would be considered a sensitive item.

Supplies vs. Sensitive Items

Supplies are consumed in the normal course of business operations. Typical examples of supplies are paper, workbooks, tape, toner cartridges, pens, books, periodicals, health room supplies, property maintenance supplies, clothing, uniforms, tires, fuel, and office supplies. All of the above examples are coded to object 3-XX.

Supplies meet one or more of the following criteria:

1. It does not last more than one year.
2. It is better to replace than to repair.
3. It is not an independent unit.

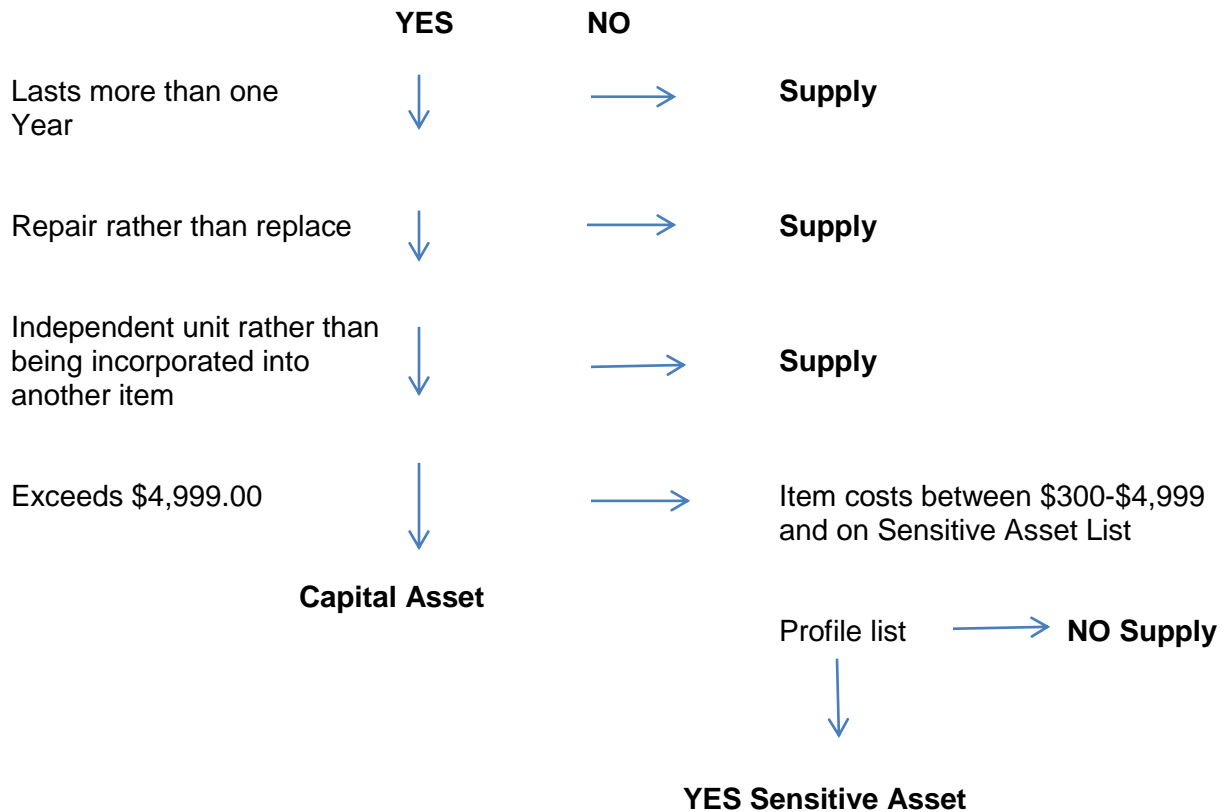
Capital Assets are defined as tangible property and equipment having a useful life of more than one year and an invoice acquisition cost at the threshold of \$5,000 or more including any attachments, accessories, or auxiliary apparatus necessary to make the furniture/equipment usable for the purpose for which it was intended.

Capital Assets must meet all of the following criteria:

1. Useful life greater than one year.
2. More economical to repair than replace.
3. Retains its original shape, appearance, and character with use.
4. Independent unit rather than being incorporated into another item.
5. Cost per unit exceeds \$5,000 or greater.

Below you will find a flow chart to aid in distinguishing between capital asset, sensitive item, and a supply. At the first “NO”, the item is identified as a supply, not as equipment.

Flow Chart for Distinguishing Equipment from Supplies*



1*This diagram was conceived by James Bliss, PH.D., Assistant Superintendent for Business Services Grandview Consolidated School District, Grandview, Missouri, and Stuart Graf, CPA, of the American Institute for Certified Public Accountants (AICPA).

Sensitive Items Listing: The items below are considered Sensitive Items and should be coded to 3-29. The items below will be reviewed annually for necessary additions and/or deletions to the sensitive items listing. The sensitive items list will also be located on the Finance website:

1. Active Expressions
2. Active Slates
3. Active Vote
4. Air Compressors
5. Athletic Coaching Communication Systems
6. Athletic Equipment (camera/video devices)

7. Audio/Sound Systems
8. Boom boxes with wireless blue tooth capabilities
9. Carpet Extractors
10. CPS Systems
11. Defibrillators
12. Digital Cameras/Camcorders
13. Digital Music Players (I-Pods, MP3 Players, etc.)
14. Document Cameras
15. Ereaders/Tablets (Kindles/Nooks)
16. EvacuTrac
17. Floor Scrubbers
18. GoPro Cameras
19. Generators
20. Graphing Calculators
21. I-Pads
22. Karoke Machine
23. LabQuest
24. Lawnmowers
25. Musical Instruments (Trumpets, Saxophones, Clarinets, Drums, Flute, Violin, Viola, etc.)
26. Pallet Jack
27. Portable Tools (Classroom instructional tools and Plant/Maintenance Tools – ex: any type of saws, 4 in 1 tools, Dewalt tools)
28. Portable Welders
29. Pressure Washers
30. Printers
31. Refrigerant Recovery Machine
32. Salt Spreaders
33. Scanners
34. Science Laboratory Equipment (Microscopes, Oscilloscope, Scales, etc.)
35. Smart Table
36. Snow Blowers
37. Televisions
38. Vacuum Pumps
39. Video Cameras

40. Video Game Consoles (Wii, Playstation, Xbox, Dance Dance Revolution, Nintendo)
41. Web Cams
42. Wireless Mircophones
43. Drones

As always, should you have any questions about Sensitive Items and coding please contact me at 410-386-1814 or jhschin@carrollk12.org.