

Chicago Public Schools Policy Manual

Title: MAINTENANCE AND DISPOSAL OF ASSETS

Section: 401.9

Board Report: 04-0526-PO1

Date Adopted: May 26, 2004

Policy:

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

Amend Board Report 99-0421-PO4, Policy on the Maintenance and Disposal of Assets.

PURPOSE:

The "Policy on the Maintenance and Disposal of Assets" presents comprehensive guidelines that regulate efficient asset utilization and disposal procedures to assure that Chicago Public Schools' assets are deployed effectively throughout their useful lives, and that obsolete assets are disposed of when no longer useful to the Chicago Public Schools.

POLICY TEXT:

POLICY ON THE MAINTENANCE AND DISPOSAL OF ASSETS

I. MAINTENANCE OF ASSETS ON INVENTORY

The adoption of this policy requires the maintenance of inventories of assets regardless of funding source. Assets which are tangible, nonexpendable properties, or non-real estate purchased by or donated to Chicago Public Schools (CPS) which have a value of \$500 or more per unit having a useful life of more than one year must be entered on the "Asset Register" (Attachment A).

This Asset Register is to be maintained and updated quarterly and upon receipt of new asset(s) by the responsible administrator to accurately define the inventory of a school or department, collect necessary information, put personnel on notice that assets are being monitored, and provide the basis for planning future purchases. Each asset unit should be tagged with its control number that can be referenced on the Asset Register.

In addition to updating the inventory quarterly, each unit administrator must complete a physical inventory of all assets every year, beginning with June 30, 1999, and every year thereafter.

At the end of the fiscal year, the unit administrator in charge of a school shall review his/her Asset Registers for accuracy, sign, keep one copy, and forward copies to the Bureau of General Accounting of the Office of School Financial Services and the Bureau of Asset Management of the Department of Operations. Each school unit shall provide a copy to their Area Office Business Manager.

All assets purchased by or donated to CPS and in functional use shall remain on the Asset Register until such time as they are deemed appropriate for disposal.

The unit administrator has the responsibility of maintaining assets -- whether purchased, donated, or leased -- in an appropriate manner so as to maintain their value through their useful life.

II. TRANSFER AND DISPOSAL OF ASSETS

All assets are to be taken off the Asset Register when disposed of, per the Internal Accounts Manual. Any assets purchased with grant funds must be disposed of following grantor guidelines. The "Asset Transfer/Disposal Form" (Attachment B) is to be completed whenever asset disposal occurs.

Transfer and disposal procedures vary according to the determination of functionality of the asset:

A. *Criteria for Removal of Obsolete, Not-Needed, but Functional Assets:*

1. The school or unit should notify the Area Office Business Manager with details on assets that are available for transfer. Central Office departments are to notify the Bureau of Asset Management of the Department of Operations with details on assets that are available for transfer.
2. Any unit that needs the asset/equipment, from the donor unit, shall add the asset to its Asset Register making note of all the donated asset information.
3. The donor unit must strike the asset from its register and indicate the destination on the Asset Register. The donor unit must provide the receiving unit with a list of the asset's serial number, make, model, funding source, or other identifying information.
4. If no receiving unit contacts the donor unit within thirty days after the donor unit notified the Area Office Business Manager or the Bureau of Asset Management the donor unit should dispose of the asset in line with the Criteria for Removal of Non-Functional Assets, except that students who meet the standards set out below may, by lottery, receive, as a loan, functional computer equipment scheduled for disposal. The lottery is to be held at each donor unit, at a time to be determined by the school principal.

For a student to participate in the lottery, the student must: (1) participate in school programs; (2) have maintained excellent attendance; and (3) have maintained good behavior, with no major infractions. The loan of this computer equipment is to be limited to one computer unit per family every three years. The loan is to be a one-year loan to the parent/guardian for the school year, and renewable annually at the option of the principal for a total maximum of three school-years.

Units are to record the temporary transfer of the computer equipment as a "loan to (name of parent/guardian)" on their Asset Register.

5. The Bureau of Asset Management and the Bureau of General Accounting are to be notified of any transfer or disposal of assets, with the administrative units retaining copies of their own records. The Bureau of General Accounting is to create and maintain a data base of the assets inventories.

B. *Criteria for Removal of Non-Functional Assets*

1. Determination should be made by the administrator in charge that non-functional assets that contain hazardous waste materials may require special handling in disposal. The Department of Operation is to be contacted prior to disposal of any asset containing hazardous waste materials to make determination of special disposal requirements.
2. Determination may be made by the administrator in charge that non-functional computer equipment may be offered to school-based student computer recycling courses and Chicago Public Schools' programs which provide training for, or ownership of, computers as part of an approved curriculum. See the Department of Operations for the list of approved computer recycling programs.

3. Determination may be made by the administrator in charge that non-functional assets are to be donated to not-for-profit community organizations. The administrator in charge is to ascertain that the not-for-profit organization is tax exempt by verification of appropriate documentation. These organizations should be contacted and, as a condition of the donation, must be willing to pick up the item(s).
4. Determination may be made by the administrator in charge that non-functional assets are to be turned over to salvage/scavenger companies. The school or office may contact the school's property advisor to arrange for disposal, or the school or office may contact the Department of Operations. If applicable, the school or unit is to pay disposal charges.
5. The Bureau of General Accounting of the Office of School Financial Services will produce a report at the close of each school fiscal year, detailing Chicago Public Schools' obsolete equipment. This office will inform all appropriate federal, state, or other funding sources of the disposal of assets which had been purchased originally under the terms of the grants.
6. The Bureau of Asset Management and the Bureau of General Accounting are to be notified of any transfer or disposal of assets. Copies of the annual Asset Register are to be forwarded to the Bureau of Asset Management of the Department of Operations and to the Bureau of General Accounting of the Office of School Financial Services, with the administrative units retaining copies for their own records.

The Office of School Financial Services will promulgate such rules and regulations as are necessary to effectuate this policy.

Amends/Rescinds: Amends 99-0421-PO4; Rescinds 88-0928-PO2
Cross References:
Legal References:



**CHICAGO PUBLIC SCHOOLS
ASSET REGISTER**

Please list only assets with a useful life of 1 year and value over \$500

Unit or School:

UNIT No.:

TAG NUMBER	ASSET DESCRIPTION	PURCHASE ORDER #	SERIAL NUMBER	MAKE, VENDOR, or MFR.	DATE PURCHASED		FUNDING SOURCE (CPS, School, Name of Grant, etc.)	CONDITION G - F - P (Good) (Fair) (Poor)	LOCATION Room Number or Teacher's Name	Purchase Price		REMARKS Note Here Where Transferred, or When Deleted (Attach Explanation)
					Mo.	Day				Yr.	Balance Forward	
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2												
3												
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Chicago Public Schools

Asset Transfer / Disposal Form

<u>Unit Information</u>		<u>Purpose of Form</u>		<u>Indicate Type</u>	
School Name: _____ Unit Number: _____		This form is to be used when either transferring an asset to another unit or when disposing of an asset. Authorization must be obtained from either the school principal or the unit administrator prior to an asset being transferred or disposed. Local School Council (LSC) approval is required for all assets with an original cost of \$500 or more. <i>Please use additional sheets if necessary</i>		Transfer: _____ Disposal: _____	
<u>Transferred to</u> (if necessary) School Name: _____ Unit Number: _____		<u>Serial Number</u>	<u>Purchase Order Number</u>	<u>Office Use Only</u> Date Received: _____ Processed: _____ PCS No.: _____	
Item	Asset Description	Manufacturer	Serial Number	Date Purchased	Original Cost
1					
2					
3					
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6					
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9					
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12					
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<u>Unit Authorization</u>	<u>LSC Authorization</u> (Required if asset original cost is \$500 or greater)	<u>Receipt Acknowledgment</u>
Name: _____ Signature: _____ Title: _____ Date: _____	Name: _____ Signature: _____ Title: _____ Date: _____	Name: _____ Signature: _____ Title: _____ Date: _____