

## **Memo on Inventory Needed for Capital Asset Purchases in ESSER**

Many schools have purchased a capital asset with federal funds. These items need to be depreciated and inventoried.

### *Definitions*

Capital asset – An item costing \$5,000 or more that must be capitalized and depreciated. [2 CFR 200.439]

Depreciation – is the method for allocating the cost of fixed assets to periods benefitting from asset use. [2 CFR 200.436]

**It is recommended that school districts work with their CPA to help with determining asset useful life and preparation of a depreciation schedule.**

See below for management requirements for inventory per Federal regulations.

Per 2 CFR 200.313 General

(d) *Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

- 1) Maintain property records procedure and policies (include description, serial number or other identification number, source of funding, acquisition date, etc.)
- 2) A physical inventory procedure and policies (physical inventory must be taken a minimum of every 2 years)
- 3) A Control System procedure and policies (ensure adequate safeguards in place)
- 4) Adequate Maintenance procedure and policies
- 5) Sales procedures and policies
- 6) Disposition procedure and policies

**See reverse side for the inventory template spreadsheet that we highly encourage school districts to use to maintain inventory records.** Inventory records need to include all items purchased with Federal funds with a unit cost of \$5,000 or more. For many school districts this will be applicable starting with the 2020-2021 school year, but will apply to all future school years that capital asset records are required to be maintained. NDE will ensure items are inventoried properly during monitoring visits.

**Sub-Recipient Name:**

**Equipment Inventory**

Description & Model Number	Brand Name	Serial #	Location	Grant & Yr.	Vendor	Invoice #	Inv. Date	Serial No.	Quant.	Unit Cost	Total Cost	Date Pl.	Condition	Disposition	Inventory Taken

Date(s) 2 Year  
Physical  
Inventory Taken