



# FACT SHEET

## INVENTORY MANAGEMENT SYSTEM



As a pass-through entity for Federal Education funds, the Nebraska Department of Education (NDE) is providing this fact sheet to assist Federal program subrecipients.

This information is being provided by the NDE as general compliance guidance only. Subrecipients of Federal funds should refer to the full text of the regulations which can be found at [Electronic Code of Federal Regulations \(eCFR\)](#) when developing inventory policies and procedures.

### **Subrecipient Inventory Template**

Please utilize the Inventory Template located here: [Technical Assistance Fact Sheets & Templates](#).

### **Requirements for Federally Funded Inventory**

2 CFR 200 is the guiding policy for all federal grants and recipients of federal program funds are required to comply. Please review [2 CFR Part 200.313](#) for guidance.

#### Management requirements

Regardless of whether equipment is acquired in part or its entirety under the Federal award, the recipient or subrecipient must manage equipment (including replacement equipment) utilizing procedures that meet the following requirements:

- Property records must include a description of the property, a serial number or another identification number, the source of funding for the property (including the FAIN), the title holder, the acquisition date, the cost of the property, the percentage of the Federal agency contribution towards the original purchase, the location, use and condition of the property, and any disposition data including the date of disposal and sale price of the property. The recipient and subrecipient are responsible for maintaining and updating property records when there is a change in the status of the property.
- A physical inventory of the property must be conducted, and the results must be reconciled with the property records at least once every two years.
- A control system must be in place to ensure safeguards for preventing property loss, damage, or theft. Any loss, damage, or theft of equipment must be investigated. The recipient or subrecipient must notify the Federal agency or pass-through entity of any loss, damage, or theft of equipment that will have an impact on the program.
- Regular maintenance procedures must be in place to ensure the property is in proper working condition.
- If the recipient or subrecipient is authorized or required to sell the property, proper sales procedures must be in place to ensure the highest possible return.

If disposition is required, please contact [nde.bgmhelp@nebraska.gov](mailto:nde.bgmhelp@nebraska.gov).

## Requirements for State Funded Inventory

Agencies shall complete a detailed requisition for all articles or property to be purchased or leased which exceed the purchasing limitation as established by the Materiel Administrator and, in addition, shall have the purchase approved by DAS Materiel.

The Materiel Administrator has established \$5,000 as the minimum for capitalization of articles or property. Agencies have the option to capitalize items under \$5,000 on inventories if desired. Refer to the Materiel Division [Annual Fixed Asset/Annual Inventory Letter](#) for more details.

**NOTE:** The University of Nebraska is not subject to the purchasing controls of DAS Materiel.

[DAS Website: Accounting Manual](#)

## Federal Compliance Monitoring

As part of NDE's annual Federal Compliance Monitoring program, NDE staff will review agency policy and procedure records. Grant Compliance Auditors will conduct these reviews using the requirements outlined in 2 CFR Part 200, along with other applicable federal regulations and guidelines.

## Technical Assistance

Any questions relative to the contents of this document, please contact: [nde.bgmhelp@nebraska.gov](mailto:nde.bgmhelp@nebraska.gov)

*This document is not a substitute for the advice of your own attorney and/or law firm licensed to practice law in the state of Nebraska. In reading and applying Federal law, the NDE recommends LEAs seek and obtain the advice of counsel with questions of application, interpretation, and/or to ensure that use of this information is appropriate to your particular situation.*

