

VI Department of Education Property Division/Fixed Asset Management Biennial Physical Inventory Policy

APRIL 29, 2019

**Property Division/Fixed Asset Management
Policy and Procedures**



THE VIRGIN ISLANDS DEPARTMENT OF
EDUCATION

FAM 3.19 | Biennial Physical Inventory Policy

Purpose

This procedure establishes guidelines for the physical inventory of Federal funded fixed assets.

Definition

Equipment - also referred to as property or fixed asset, is a tangible, non-expendable property having a useful life of more than one year and an acquisition cost of \$500 or more per unit. It includes all computers and other high-risk equipment regardless of price. The acquisition cost is the unit price plus the cost of modification, attachments, accessories or auxiliary apparatus needed to make the property useable for its intended purpose.

Abbreviations

CFR – Code of Federal Regulations

FAMD – Fixed Asset Management Division

GVI – Government of the Virgin Islands

RFP – Request for Proposal

VIDE –Virgin Islands Department of Education

Policy

1. A physical inventory of Federal assets must be performed and the results reconciled with property records every two years (See **CFR 80.32 (4) d2**).
2. Schools/Activity centers will assign an Inventory Contact to work with the Principal to manage the locations asset inventory.
3. Each school year the Principals/Directors are required to provide their Inventory Contact's: Name, Phone Number and Email Address to the centralized FAMD mailbox (fixedassetmgt@sttj.k12.vi)
4. Schools/Activity centers are required to account for all assets assigned to their location. School/Activity centers will be held financially responsible for missing assets and required to replace in accordance with Stolen, Missing or Damage Equipment Policy and Procedures (See **FAM 3.13 Stolen, Missing or Damaged Equipment**).
5. The Bi-Annual physical inventory must be conducted by a non-VIDE entity.

6. Principals/Directors who are reassigned or separated, remain accountable for missing assets during their tenure.

Procedures

VIDE Physical Inventory Tasks and Activities

1. The Fixed Asset Management Director is responsible for preparing the scope of work and required deliverables for the biennial physical inventory. Should the VIDE decide to issue an RFP, the procurement activities will be as follows:
 - a) Complete SOW in July
 - b) Complete / Publish RFP in July
 - c) Review Vendor proposals in August/September
 - d) Make vendor selection in September
 - e) Finalize negotiations with vendor in September
 - f) Sign contract with vendor in October/November
 - g) Provide VIDE Inventory to vendor in December
 - h) Conduct final planning/scheduling with vendor in January

2. The Fixed Asset Management Director will manage the Inventory Count & Reconciliation Activities:
 - a) In January, the Fixed Asset Management Director notifies Schools/Activity Centers to prepare for physical inventory.
 - i. Written notification of inventory schedule and selected vendor
 - ii. **Provide written inventory instructions.**

 - b) School/Activity Centers Principal/Directors must prepare for physical inventory by:
 - i. Reviewing inventory schedule provided by FAMD
 - ii. Inform Fixed Asset Management Director of any issues/conflicts within three (3) business days of receipt of schedule.
 - iii. Review FAMD physical inventory process
 - iv. Prior to inventory visit, ensure the inventory contact (or assisting staff person) has working keys for all rooms, cabinets, storage areas, etc...
 - v. Ensure inventory contacts (and/or assisting individuals) are available to the Contractor/Agency for the duration **of their visit to the school/office**

on the date and time of the scheduled visit with the working keys for all rooms/locked cabinets or other storage areas in the school/office.

- c) Contractor/Agency conducts physical inventory count (See Physical Inventory Contractor/Agency Tasks and Activities below).
- d) During the physical inventory Schools/Activity Centers must:
 - i. Ensure items that are in boxes are removed from the boxes and available are available to the Contractor/Agency for scanning. **The Contractor/Agency will not count items that are in boxes so please adhere to this requirement;**
 - ii. Ensure all laptops (or any asset) issued a Home Use Authorization (or not on campus) are at the school/activity center on the day of the inventory;
 - iii. Have all equipment designated for disposal or e-waste kept in a designated or isolated area. School/Activity centers are still responsible for preparing the Report of Survey form (See **FAM 3.14 Disposition of Asset**). If an asset is determined to be obsolete and/or damaged beyond repair the item shall be disposed of following the disposition of assets policy/procedures (See **FAM 3.14 Disposition of Asset**).
- e) The FAMD conducts follow-up verifications (as necessary).
- f) The Fixed Asset Management Director works with the Contractor/Agency to complete the reconciliation of the physical inventory to the system of record.
- g) The final Physical Inventory results are briefed to the Commissioner of Education, Deputy Commissioner, and the Insular Superintendents.
- h) Final reports are provided to the Insular Superintendents for Principal/Director year end sign-off.
- i) Final inventory listings must be retained in the School's/Activity Center's Equipment Inventory Binder.

Physical Inventory Contractor/Agency/Agency Tasks and Activities

The selected Contractor/Agency must designate one staff person as the liaison with the Fixed Asset Management Director.

The selected Contractor/Agency shall provide bi-weekly project status reports on dates specified according to project timelines. The parties shall have meetings, which may take place via conference call or in person, to discuss progress in completing the project. Status reports must be submitted via electronic mail (email) in MS Word or Adobe Reader (PDF) two (2) business days prior to the project status conferences.

The Contractor/Agency scope of services includes:

1. Physical Inventory Count Planning & Preparation
2. Conduct Physical Inventory Count
3. Inventory Reconciliation
4. Final Report

1. Physical Inventory Count Planning & Preparation

- a) Submit a report that outlines the Contractor/Agency's understanding of existing VIDE inventory policies and procedures along with procedures and methodology that will be utilized to conduct the physical inventory;
- b) Submit a project work plan complete with timelines and milestones to complete the physical inventory count and including anticipated date of completion;
- c) Submit a deployment strategy that shows the scheduled dates by island, school, and activity center outlining when the Contractor/Agency will be conducting counts at specified locations.

2. Conduct Physical Inventory Count

- a) Provide intermittent inventory reports by location – A draft inventory report of each location will be provided to VIDE within 24 hours of completion of each site.
- b) Provide a report by island, school, and activity center locations showing exceptions between the assets in the system of record and the physical count.
- c) Provide a report by island and school and activity center location of missing fixed asset data (e.g. missing or incorrect serial number) that the Contractor/Agency gathers during the physical inventory count.

3. Inventory Reconciliation

- a) The Contractor/Agency will provide the following deliverables for the physical inventory count tasks:
 - i. Physical inventory reconciliation by location;
 - ii. Inclusive of supplemental reconciliation information that includes:
 - a. Specific assets delivered but not tagged (Federally funded purchases only)
 - b. Specific assets physically present but not in system of record
 - c. Specific assets for each exception category;
 - iii. Executive summary by School District (St. Thomas/St. John and St. Croix); and
 - iv. Executive summary VIDE overall

4. Final Report

- a) Upon completion of Tasks 1 through 3, the Contractor/Agency will provide a final report that documents:
 - i. The results of the inventory count
 - ii. Recommendations for VIDE relative to the physical inventory count based on the work completed for this project; and
 - iii. Suggestions for improving the next physical inventory.
- b) The Contractor/Agency will provide the following:
 - i. Written final report;
 - ii. Generate and print inventory count report for each location;
 - iii. Generate and print the consolidated inventory count report; and
 - iv. Provide written update of the value of the physical inventory to VIDE.

TPFA Oversight:

1. TPFA Manager makes random site visits to monitor the progress of the biennial physical inventory at selected locations.
2. TPFA Manager reviews the findings of the biennial physical inventory.
3. TPFA Manager verifies FAMD are updating MUNIS records with results of the biennial physical inventory.

Version Control:

Modification Date	Modification Reason	Modified By
2/2019	<i>Revisions in Progress</i>	<i>Anthony Cason</i>
4/2019		<i>George Arthur (BCA)</i>
5/1/2019	<i>Final revision pending approval</i>	<i>Takola Forde (VIDE)</i> <i>Anthony Cason (BCA)</i> <i>George Arthur (BCA)</i>