



ADMINISTRATIVE POLICY NO. 703

REVISED JULY 2014

INVENTORY MANAGEMENT

The school division is required by *The Education Act, 1995* to prepare and regularly maintain an inventory of its assets sufficient for the purposes of property control and financial planning. Such planning includes consideration for placing insurance, replacing damaged equipment, and the disposal of property.

PROCEDURES

1. Inventory

- a. The Chief Financial Officer is responsible for developing procedures for maintaining inventories.
- b. The inventory is to be updated annually, as required by the insurance company, using an independent appraisal source.
- c. Inventories held for consumption are to be updated using the following methodology:
 - i. Administrative Services – any purchases in the period June 15 to August 31 are deemed to be inventory at year-end. Based on the purchasing trends and experience, schools purchase supplies for the subsequent school year starting in June.
 - ii. Caretaking Materials and Supplies – any purchases in the period August 15-31 are deemed to be inventory at year-end. Schools purchase their summer cleaning supplied in May/June. The majority of these supplies will be consumed during the summer months.
 - iii. Maintenance Materials and Supplies – any purchases in the period August 15-31 are deemed to be inventory at year-end. Although the maintenance department staff replenishes their supplies on an as needed basis, the assumption is that any supplies purchased in the last two weeks are inventory.
 - iv. Bus Garage Inventory – ending inventory is based on physical count as of August 31.

- v. Warehouse inventory – ending inventory is based on a physical count as of August 31.
- d. Inventories held for resale are to be updated based on a physical count as of August 31.

2. Replacement and Repair

- a. The Chief Financial Officer is to provide direction and procedures for the replacement and repair of school property.
- b. Procedures for the replacement and repair of school property incurred by careless or willful acts are to be in accordance with *Administrative Policy 904 – Break-in, Theft, and Vandalism*.

3. Disposal of Property

- a. Property or material that has no further value to the school division is to be disposed of in a manner that provides maximum benefit to the division.
- b. The Purchasing Manager, in consultation with the appropriate superintendent, supervisor or principal, will determine what is surplus, obsolete and worn out property.
- c. The Purchasing Manager may use the following methods to dispose of school property other than lands and buildings:

- i. *Public Auction*

An auction is to be used when a sizable accumulation of surplus property is available.

- ii. *Tenders*

Competitive bidding is to be used when the quantity, type or location of the surplus supplies will not encourage attendance at a sale:

Procedures

- The school division advertises the sale of property and requests sealed bids.
- Property is offered for sale “as is” and “where is”.
- The division makes no warranty.
- Property is available for inspection.
- Any expense involved in picking up of the properties is borne by the successful bidder.
- The division reserves the right to reject any or all quotations.

- Bids may be required to be accompanied by a deposit.
- Property is awarded to the highest bidder.

iii. *Trade-In*

Surplus equipment may be traded in if the trade-in value is expected to exceed the value estimated to be obtained in a sale.

iv. *Salvage or Disposal*

If the property is of insufficient value to defray the costs of sale, it may be disposed of by selling for salvage value. Property may be disposed of if it has no material value.

- d. Proceeds from sales will be credited to the general funds of the school division.
- e. Disposal of lands and buildings is a responsibility of the Board of Education. The Board may direct the Director of Education to lease, sell, transfer or exchange any of its lands or buildings subject to the provisions of *The Education Act, 1995*.