

**CLASSIFICATION: Business and Noninstructional  
Operations****ADOPTED: 1/5/79****REVISED: 3/3/03****SUBJECT: Capital Property, Inventory****PAGE: 1 of 7**

The purpose of this administrative regulation is to ensure the proper identification, control, and disposition of capital property of the County Superintendent of Schools. Title to capital property acquired by the San Diego County Office of Education is vested in the County Superintendent of Schools. Capital property includes personal property of a relatively permanent nature and of five hundred dollars (\$500) or greater unit acquisition value (e.g., furniture, office machines, computers, vehicles, maintenance equipment, graphics printing equipment).

Capital property asset valuation shall be performed in accordance with Governmental Accounting Standards Board Regulation 34 (GASB 34) and shall be limited to a minimum of \$5,000. All equipment, land, and buildings of the San Diego County Superintendent of Schools with a value of \$5,000 or greater shall be annually inventoried by the property inventory clerk and annually depreciated by the County Superintendent of Schools or his/her designee based upon the straight line depreciation method and recorded as required by GASB 34. Capital property with a value of \$500 to \$4,999 shall be inventoried but not depreciated.

Capital property shall not be sold, given away, abandoned, or otherwise disposed of except as provided by provisions of this administrative regulation.

#### IDENTIFICATION OF CAPITAL PROPERTY

1. The capital property inventory clerk, Internal Business Services Section, shall assign a property tag and initiate a *Capital Property Inventory Record*, Form 108, when the purchase order for the capital property is issued.
2. The Maintenance and Operations Section will be responsible for tagging all capital property except computer equipment received at the San Diego County Office of Education Warehouse and completing the *Capital Property Inventory Record*, Form 108. The Office Systems Section shall be responsible for tagging all computer equipment and completing Form 108.
3. If capital property is delivered to or picked up by the ordering section, it is the responsibility of that ordering section to affix the property identification tags and complete the *Capital Property Inventory Record*, Form 108.

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4. After the capital property has been properly tagged, the completed *Capital Property Inventory Record*, Form 108, is forwarded to the capital property inventory clerk and the property is delivered to the ordering section.

#### CONTROL OF CAPITAL PROPERTY

The capital property inventory clerk shall annually send each division assistant superintendent an inventory list of all capital property located in his/her division. Procedures for completing the annual physical inventory will be included with the inventory list. The inventory list must be reconciled with capital property numbers within each division. After the inventory is completed and returned to the capital property inventory clerk, each assistant superintendent will receive an updated list of items missing from his/her division. The assistant superintendents will initiate a second attempt to identify all missing equipment.

Capital property may be removed from the inventory list while still in service if the high cost of the annual physical inventory is no longer warranted by the item's low value (i.e., less than \$500 due to obsolescence or age). This change must be requested by submitting Form 60, *Capital Outlay Disposition Request*, to the capital property inventory clerk.

Capital property identified for retirement remains under the control of the responsible section until the time the property is disposed of, and shall be shown on the inventory list of the section having custody until the capital property is **physically removed** from that section in accordance with procedures of this administrative regulation.

Periodic spot checks of capital property may be made by the capital property inventory clerk.

#### DISPOSITION OF CAPITAL PROPERTY

##### Property Over Twenty-Five Thousand Dollars (\$25,000) in Current Value

The following process is required for the disposal in any manner of any item of personal property with a value greater than twenty-five thousand dollars (\$25,000):

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1. An independent valuation of the property must be obtained.
2. Sale of the property must be advertised by publication at least once a week for not less than two weeks in a newspaper of general circulation published in the county. The advertisement will include a general listing of item(s) to be sold, the manner in which the sale will be conducted, and other pertinent information.
3. The proposed disposal must be brought to the attention of the County Board of Education for discussion and approval at a regularly scheduled public meeting.

Property Twenty-Five Thousand Dollars (\$25,000) or Less in Current Value

The value of any item of personal property worth twenty-five thousand dollars (\$25,000) or less must be certified by the County Superintendent of Schools in a quarterly report for review by the County Board of Education.

Lost or Stolen Capital Property

1. Lost or stolen property must be immediately reported by the section having custody of the property to the capital property inventory clerk on Form 60, *Capital Outlay Disposition Request*.
2. A copy of any police report that was filed for stolen property must be included with the *Capital Outlay Disposition Request*, Form 60.
3. A report of capital property missing for three consecutive years will be submitted to the County Superintendent of Schools or his/her designee for authorization to delete missing items from the capital property inventory list.

Interdepartmental Transfer of Capital Property

All capital property identified on the capital inventory list that is moved from the section location (e.g., rooms in the same building, buildings, sites) must be immediately reported to the capital property inventory clerk on Form 60, *Capital Outlay Disposition Request*, by the section relinquishing custody.

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Failure to file Form 60 reporting the transfer of capital property will cause the transferred items to remain on the original section's inventory list as unidentified items until the next annual inventory.

Retirement of Capital Property

Capital property that is no longer needed, obsolete, broken, nonrepairable or that has been replaced, must be reported on Form 60, *Capital Outlay Disposition Request*, to the capital property inventory clerk for retirement.

Capital property that has been identified for retirement on Form 60, *Capital Outlay Disposition Request*, shall be disposed of as follows:

1. If the capital property is of **reasonable trade-in value**, the property may be used to purchase new equipment as appropriate.
2. If the capital property is no longer needed, obsolete, broken, nonrepairable, or has been replaced, the capital property shall be disposed of by the Manager of the Maintenance and Operations Section as follows:
  - A. For use by other programs of the County Superintendent of Schools.
  - B. For use by other San Diego County public school or community college districts.
  - C. Public sale if current value of the capital property is over two thousand five hundred dollars (\$2,500).
  - D. Private sale if the current value is less than two thousand five hundred dollars (\$2,500). Capital property previously offered for sale for which no qualified bid was received may also be sold at private sale.
  - E. Donation or disposal if the item is deemed worthless.

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The Maintenance and Operations Section will warehouse retired capital property until it is no longer useful and its present value does not justify the cost of long-term storage. The Maintenance and Operations Section shall remove the capital property from the capital inventory of the retiring section and add it to the capital warehouse holding location until such time that it is transferred, sold, or disposed of. The Maintenance and Operations Section shall use Form 60 to notify the capital property inventory clerk whenever there is a change in the disposition of capital property that has been warehoused. Availability of retired capital property will be publicized by the Maintenance and Operations Section on a regular basis to eligible recipients. Requests from sections to deposit and/or receive retired capital property must be made on a *Maintenance and Operations Work Request*, Form 434.

Capital property will not be accepted, distributed, or disposed of without the appropriate written authorizations and documentation described above.

Sale of Items Over Two Thousand Five Hundred Dollars (\$2,500) In Current Value

1. Capital property that is no longer needed, obsolete, broken, nonrepairable or that has been replaced and the current value of such item(s) exceeds the sum of two thousand five hundred dollars (\$2,500) may be sold at a public sale, a public auction, or by contract with a private auction firm.
2. This sale must be advertised by a posting in at least three public places in the county for not less than two weeks or by publication at least once a week for a period of not less than two weeks in a newspaper of general circulation published in the county. The advertisement will include a general listing of items to be sold, the manner in which the sale will be conducted, and other pertinent information.
3. Anyone may buy at such a sale.
4. The bid shall be awarded to the highest responsible bidder or all bids shall be rejected. If no qualified bid is received, the item(s) may be sold at a private sale.

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Sale of Items Two Thousand Five Hundred Dollars (\$2,500) or Less In Current Value

1. Capital property that is no longer needed, obsolete, broken, nonrepairable or that has been replaced and the current value of such item(s) does not exceed the sum of two thousand five hundred dollars (\$2,500) may be sold at a private sale.
2. A private sale does not require advertising. Generally this means that school districts will be notified of the sale. Anyone, except employees of the San Diego County Superintendent of Schools, may buy at such a sale.
3. If the property is determined by the County Superintendent of Schools or his/her designee to be of insufficient value to defray the costs of arranging a sale, it may be donated to an appropriate charitable organization or disposed of at the local public dump.

Method of Sale

All sales, whether private or public, must be authorized by the Assistant Superintendent of Business Services, or his/her designee, who has the authority to establish prices, and to accept or reject bids, whether sealed or at a public auction. Sales may use any of the following methods, or any combination of these methods:

1. By sealed bids for each item or lot.
2. At established prices on a first-come, first-serve basis.
3. By public auction.

Payment must be in cash or by certified check. Personal checks are not acceptable. All proceeds from sales of capital property will be forwarded immediately to the Internal Business Services Section for deposit to the County School Service Fund.

**SAN DIEGO COUNTY OFFICE OF EDUCATION**

**ADMINISTRATIVE  
REGULATION NO. 3440**

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**Board Policy No.: 3440**

**Derivation: Former Administrative Regulation No. 3746, Adopted 1/5/79, Amended 3/29/94.  
Amended, Renamed, and Renumbered 3440, 9/13/95. Amended 9/9/97, 3/3/03.**

**Legal Reference: Education Code  
1279**

**Management Resources: General Accounting Standards Board (GASB) Statement 34  
Office of Management and Budget (OMB) Circular A-87  
State Administrative Manual, Section 8603**