

**Mid-Mississippi Regional
Library System**

***Equipment Inventory &
Disposal Policy***



The purpose of this policy is to prescribe the appropriate method for the disposal of Mid-Mississippi Regional Library System (MMRLS) equipment.

There are 2 categories of disposal to be considered:

- 1) Equipment that was purchased using System or library funds
- 2) Equipment that was purchased using Grant funds and possibly some System funds.

The first group would be subject to State Law as to disposal. The second group would be subject to both State Law and dictates of the grant, and Federal Law if applicable, that provided a part of the purchase price. In this second group we would include equipment purchased through LSTA grants, Erate, Gates and any other type of grant which provides an equipment allotment.

Requirements

- 1) Items \$500 and over must be inventoried and inventory sticker applied
- 2) Yearly audit/Inventory must be made. Head Librarian (or designee) will sign inventory sheet to acknowledge responsibility for equipment in his/her library.
- 3) Equipment must be placed in location for which the equipment was purchased for at least 3 years
- 4) Equipment must be kept, regardless of condition, for at least 5 years
- 5) Equipment may be transferred to any university or state agency as long as signed receipt of equipment is given.
- 6) Inventory record must be kept of disposal of equipment, reason, date and to whom or where the equipment was disposed
- 7) The Library Board of Trustees is the final authority regarding disposal of obsolete or unnecessary equipment.
- 8) The library to which equipment is assigned is responsible for said equipment. The head librarian is accountable for the location of each piece of equipment in his/her library.
- 9) As equipment is exchanged or replaced, a form will be given to the librarian who will initial receipt of or return of all equipment.
- 10) When head librarian or assistant librarian quits or changes libraries, a complete inventory of the library will be made to determine any discrepancies.

**State Laws Governing Property and Procurement
Quoting MS Code of 1972**

**Property Officers Manual 17
Chapter III – Laws Governing Property and Procurement**

I. State Law determines equipment purchases over \$500 must be inventoried.

Primary inventory includes all equipment purchase of \$500 or more (and all items listed to be added regardless of price)

II. State Law determines Internal Agency Audits -- must be held annually within each library.

Agency...should require...annually...a physical inventory within each department...

It is the department head's responsibility to locate and identify all equipment items. In addition to locating the items, the property office will also update the equipment location if it is not as indicated on the equipment list....

- (1) Before a department head departs, he/she should have a complete physical inventory or his/her library prior to departure so that discrepancies can be resolved.

III. State Law determines details to be included in inventory, set in Section 29-9-3 of the Mississippi Code.

- (1) The inventories here required shall show the name, description, serial number, purchase or construction date, and the cost or purchase price of each article or piece of property and any further information which the state auditor may require.
- (2) A number shall be securely attached to each piece.../ Attach labels to all primary inventory items in areas where they can be readily seen without having to move the item for identification.

IV. State Law determines the disposal of obsolete or unnecessary property in Section 29-9-9 of the Mississippi Code.

Disposal of Obsolete or Unnecessary Property

- (1) *Whenever any vehicle, equipment, office furniture, office fixture, or any other personal **property which has been acquired or is owned by any institution...becomes obsolete or is no longer needed or required for the use of such institution, department, or agency, the same may be: (a) sold for cash, transferred, traded, or exchanged for other property...needed....; or (b) donated to any institution, department, or agency of the State of Mississippi, or any political subdivision or local governing authority of the state....***

- (2) **Form 873 must be initiated.** Approval is NOT required.

When an item of property is assigned to anyone, that person will furnish a memorandum receipt to the Internal Property Office requiring the signature of the executive head of the agency showing his concurrence.

V. State Law determines the transfer of obsolete or unnecessary property in the Mississippi Code.

Transfer of property

Computer/telecommunication equipment transfers to other state agencies or universities do not require MDITS approval. Form CP2 must be properly completed, indicating the agency/university receiving the equipment and a signed receipt from the agency/university must be attached.

VI. State Law determines the Library Board of Trustees wields the final authority concerning the disposal of obsolete or unnecessary property in Section 39-3-17 of the Mississippi Code.

Library boards of trustees; organization; general powers and duties.

- I. *The trustees of the administrative board designated ... (j)dispose of equipment and discarded library materials as provided in Section 19-7-5.*

**E-rate Rules Governing Property and Procurement
Quoting Federal Communications Commission FCC 10-175**

- I. **E-rate Equipment which is purchased through the E-Rate cannot be moved to another location for 3 years after installation, unless a school closes. Library should be careful not to swap equipment between locations under 3 years from purchase.**
- II. **E-rate Rules require Schools and libraries to keep equipment purchased through E-rate for 5 years regarding of condition.**
- III. **E-rate Rules allow this equipment to be donated at the end of 5 years.**

54.513 Resale and transfer of services (Page 68)

b) Disposal of Obsolete Equipment Components of Eligible Services Eligible equipment components of eligible services purchased at a discount under this subpart shall be considered obsolete if the equipment components have been installed for at least five years. (These) ... may be ... donated....

78. We emphasize that this rule does not require schools and libraries to continue using equipment for five years, not does it require disposal five years after installation, but it does prohibit resale or disposal before five years has passed. ...

- IV. **E-rate rules do not require notification of disposal of equipment five years after purchasing which has been purchased through E-rate.**

81. Third, we decline to adopt a rule that schools and libraries must notify USAC of the resale or disposal of equipment funded by the E-rate program.... Because we are convinced that the remaining value of equipment purchased using E-rate funds is generally de minimis after five years, we find that such reporting requirements do not justify the substantial administrative burden they would impose on both applicants and USAC.

V. E-rate rules set rules for Tracking Equipment.

A district must have an inventory of equipment purchased with E-Rate funding which shows the location, make, model and serial number of each piece of equipment, and allows auditors to tie the piece of equipment to a purchase order.

LSTA Grant Rules Governing Property and Procurement
Quoting: Library Services & Technology Act Manual for FY 2011

Business system requirements – whether acquired in whole or in part with federal funds, until disposed of, shall meet the following minimum requirements.

- (1) Property records – description of property, source, title, acquisition date, cost, % of federal funds used, location, use and conditions, ultimate disposition date, disposal method and sale price if any
- (2) Physical inventory of property taken every two years and reconciled with property records
- (3) Control system to ensure adequate safeguards to prevent loss, damage, or theft of property
- (4) Maintenance procedures developed to keep property in good condition; investigation of loss or theft
- (5) Proper sales procedures to ensure the highest possible return