

# Overview: Capital and Non-Capital Objects

## *Requesting Equipment in Non-Capital and Capital Objects*

“Equipment” is a nonexpendable item with a useful life of more than one year, e.g., furniture, SMART boards, FM systems, computers. Generally, the unit cost for capitalizing budget items in IDEA grants is \$5,000 or more. However, if a school district or other grantee agency establishes a lower threshold for capitalizing items, then that threshold must be used when preparing IDEA budgets. An item that meets an agency’s threshold for capitalizing must be budgeted under capital objects.

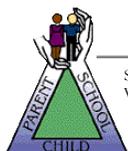
Equipment with a per unit cost less than the LEA’s established threshold are budgeted in the non-capital objects section as non-capital equipment.

When selecting “equipment” from the drop down menu in either the non-capital or capital object section, the LEA will be required to select an ‘Equipment Category,’ identify the specific type of equipment, list the number of units and provide an assurance. Equipment may be grouped by Equipment Category; however, unrelated items may not be bundled into one budget entry. Below is an approvable example. Even though different types of equipment are in one budget entry, they all fit under the equipment category of “computers”:

Capital Object:	Equipment	WUFAR & Description:	158000-Combined Cost Reporting - Special Ed
Local WUFAR Detail:		Estimated Cost:	\$15,000
Equipment Category:	Computers		
Type of Equipment:	10 teacher laptops; 25 student laptops; 15 lab tower computers		
# of Units:	50		
Assurance (If Required):	These computers are for the purposes of special education and related services.		

If you choose to include multiple types of equipment in one budget entry, be sure to include the number of units for each type of equipment in that field and then a total number of units. Using the example above, when monitoring property management, the Special Education Team would expect to be shown 10 teacher laptops, 25 student laptops, etc.

It will be the LEAs judgment to determine if something should be coded as “supplies” versus “non-capital equipment.” A non-official standard is to call items with a per unit cost of less than \$150 a supply rather than non-capital equipment, but the LEA will need to use prudent judgment. As an example, a Kindle Reader is approximately \$125 per item, but if the LEA purchases 300 Kindle Readers their aggregate cost is \$37,500. The concern is whether or not the sub-recipient knows what happened to the Kindle Readers purchased with federal funds.



## Example Assurance Language for Equipment Budget Records

Types of Capital Objects	Assurance required from district
<b>COMPUTERS - STUDENTS</b>	<i>These computers are an excess cost because they are related to the unique needs of a child or children with a disability.</i>
<b>COMPUTERS - STAFF</b>	<i>These computers are for the purposes of special education and related services.</i>
<b>FURNITURE</b>	<i>The furniture will be used in a space dedicated to a special education program, such as a resource room. If the furniture will be used in a general education classroom, the furniture is adapted to the specific needs of a child with a disability (e.g., a wheelchair accessible desk, adjustable tables and workstations).</i>
<b>iPODS / iPADS</b>	<i>These devices are an excess cost because they are related to the unique needs of a child or children with a disability.</i>
<b>OFFICE EQUIPMENT - STAFF</b>	<i>The office equipment is for the purposes of special education and related services.</i>
<b>SECURITY EQUIPMENT (security cameras, alarms)</b>	<i>The costs associated with security equipment are an excess cost because they are related to the unique needs of a child or children with a disability.</i>
<b>SMART BOARDS</b>	<i>These SMART Boards are an excess cost because they are related to the unique needs of a child or children with a disability.</i>

## Vehicles and Playground Equipment – Separate Assurances Required

Vehicle purchases and playground equipment have WUFAR accounts that differ from equipment and must be chosen separately from the budget drop down menus. The same data is not required of these items as the data for equipment. However, an assurance for these items is required and may be either submitted as the ‘Detailed Description’ in the budget item or a separate e-mail containing the assurance may be sent to the DPI consultant assigned to your budget. The assurances for vehicles and playground equipment are:

Types of Capital Objects	Assurance required from district
<b>BUS or VEHICLE PURCHASE</b>	<i>This vehicle will only be used to transport children with disabilities who require special assistance in transportation, including children with disabilities attending regular classes who require special or additional transportation, or special education staff. This vehicle will not be used for any other purpose, even if not in use for special education transportation (e.g. co-curricular activities that take place outside of the school day).</i>
<b>PLAYGROUND EQUIPMENT</b>	<i>The costs associated with the playground equipment are due to the additional costs of making the playground accessible to children with disabilities.</i>



## Site Rental

Detailed descriptions for renting facilities must include the purpose for which the facility will be used.



Capital Object	WUFAR-Description	Local WUFAR Code	Estimated Cost	Action
Site Rental for LEA Use (limited)	255400-Rental		\$15,000	<a href="#">Edit</a>
Off-site alternative program for EBD				
<b>Total:</b>			\$15,000	

## Monitoring Equipment Purchased with IDEA Funds

Granting agencies have been advised by the US Government Accountability Office (GAO) and the Office of Inspector General (OIG) to monitor property purchased with federal funds, and most specifically “highly desirable” items that tend to go missing, such as laptops, netbooks, iPods, Kindles, iPads, etc. There are several OIG audits where the sub-recipient is unable to find more than half of the items that were purchased with federal funds. Due to the number of audit findings in this area, property management was labeled as high risk.

The Special Education Team does not have standards for how federally purchased property should be inventoried outside requirements set forth by the Education Department’s General Administrative Regulations (EDGAR), but EDGAR’s property record standards (34 CFR §80.32(d)(1)) cover only equipment with a value of \$5,000 or more per unit cost.

For purposes of monitoring, the Special Education Team, through the IDEA budget software, will be able to determine which property is purchased with IDEA funds and then follow-up with the district to make sure that the district knows where the property is located and that it is being used for purposes of special education. During monitoring, we would take a sample of items that were in the IDEA budget and then ask for the district to show us where this property is located. If the district can locate the property and we can ascertain that it is being used for special education, the monitoring of property would be completed. It is the LEA’s discretion to determine how property with a per unit value of less than \$5,000 will be tracked.

**Last Updated:**

**Document Location:**

