



# **Guidelines for School Equipment Purchases**

**PRIMARY  
AUTHOR**

Tim Mearig, AIA  
Architect  
Alaska Department of Education & Early Development  
Juneau, Alaska

**CONTRIBUTORS**

Facilities Staff  
Alaska Department of Education & Early Development  
Juneau, Alaska

**ACKNOWLEDGEMENTS**

Thanks to the Bond Reimbursement and Grant Review Committee members who reviewed the publication in its draft form and to those in the Department of Education who were responsible for the predecessors to this document.

This publication may not be reproduced for sale by individuals or entities other than the:

State of Alaska  
Department of Education & Early Development  
Juneau, Alaska

Originally published in 1988 by the State of Alaska, Department of Education as *Guidelines for School Equipment Purchases* and updated in 1997 under the same name.

# Table of Contents

---

<b>SECTION .....</b>	<b>Page</b>
<b>INTRODUCTION</b>	
Overview .....	<b>2</b>
Authority .....	<b>2</b>
<b>IDENTIFYING NEEDED EQUIPMENT</b>	
Educational Specifications .....	<b>3</b>
Technology Items .....	<b>3</b>
Distinguishing Between Supply and Equipment Items ....	<b>4</b>
<b>SCHOOL EQUIPMENT BUDGET .....</b>	<b>6</b>
<b>ACCOUNTING FOR EQUIPMENT PURCHASES .....</b>	<b>8</b>
<b>DEFINITIONS .....</b>	<b>9</b>

# Introduction

---

## Overview

Regulations governing the use of state aid from debt reimbursement and grant funding provide for the use of capital project funds for the purpose of equipping new or rehabilitated school facilities. In addition, statutes prohibit the granting of capital project funds to districts unless districts account for all school equipment through an auditable fixed asset inventory system. The purpose of this Department of Education & Early Development guideline is to assist school district's and municipal entities in purchasing equipment in compliance with school construction statutes and the regulations which implement them.

The guideline provides direction in three major areas: identifying the needed equipment, equipment budgets and accounting for the equipment.

## Authority

AS14.17.190(b)

“Each district shall maintain complete financial records of receipt and disbursement of public school foundation money, money acquired from local effort, and other money received by the district. The records must be in the form required by the department and are subject to audit by the department at any time.”

AS14.11.011(b)

“For a municipality that is a school district or a regional educational attendance area to be eligible for a grant under this chapter, the district shall submit (1) a six-year capital improvement plan that includes a description of the district's fixed asset inventory system and preventive maintenance program no later than September 1 of the fiscal year before the fiscal year for which the request is made; the six-year plan must contain for each proposed project a detailed scope of work, a project budget, and documentation of conditions justifying the project;”

AS14.11.017(a)(3)

“(a) The department shall require in the grant agreement that a municipality that is a school district or a regional educational attendance area . . . (3) agree to limit equipment purchases to that required for the approved project plan submitted under (5) of this subsection and account for all equipment purchased for the project under a fixed asset inventory system approved by the department, . . . .”

4 AAC 31.900 defines school equipment as follows:

“(2) ‘capital equipment’ means built-in and movable equipment used to furnish a newly constructed or rehabilitated space; it includes the first-time purchase of library books, reference material, and media to furnish a new or renovated library; it does not include supply items such as textbooks and expendable commodities; the term is further defined in the Department of Education & Early Development's *Guidelines for School Equipment Purchases*, 2005 Edition;”

# Identifying Needed Equipment

---

## Educational Specifications

The general scope of necessary equipment purchases, as defined in 4 AAC 31.900(2) and this guide, should be a part of the educational specification developed for the project. Paragraph seven of **4 AAC 31.010 EDUCATIONAL SPECIFICATIONS**, indicates that the educational specifications should include, “the educational spaces needed, their approximate sizes in square feet, *their recommended equipment requirements*, and their space relationships to other facility elements.” Educational specifications for projects incorporating state funding are reviewed and approved by the Department of Education & Early Development prior to contract award. Good educational specifications include, in tabular form, a complete list of equipment necessary for the project based on the Activity Setting Descriptions. . If the project architect’s professional services include responsibilities for preparing furnishing, fixtures and equipment (often referred to as FF&E) documents, these listings become an invaluable tool in communicating district needs to ensure their inclusion in the project. The project’s design documents should identify types and quantities of equipment which conform to the district’s established standards. The actual selection and purchase of this equipment is normally the responsibility of the school district in which the school facility is located unless otherwise agreed when a municipality is the project manager.

## Technology Items

A key component of any equipment budget is the provision of technology items such as computers, computer peripherals and software, audio-visual and vocational-technical equipment. Technology incorporates a wide spectrum of equipment items and is becoming an integral process of education. Technology can both be taught as a subject area and used as a delivery system in the teaching/learning process across all subject areas. In other words, most schools include both technology education and educational technology. They do this to differing degrees depending on the objectives and culture of the school district or individual school. The definitions included in Appendix A indicate that technology is best thought of in the broad sense of those equipment items used to process or create electronic data which are integrated into a system. Under this definition, typical technology equipment at the publication of this guide would be, computers, printers, video projectors, robotics, scanners, video cameras, digital cameras, television and video recorders/players, image processors, electronic test equipment, voice over IP, digital telephone, etc. Of course most of these items are dependent on both the software and wiring/cabling connections to make them functional for specific purposes. Typically, the wiring and cabling will be included as part of the construction budget.

## Furnishing & Equipment Items

The remaining components of an equipment budget include furnishings and the equipment necessary to provide for the administration, operations and instructional programs of the school. The identification of furnishings for administrative and instructional use is a relatively straightforward process. The items are typically large and are used daily. This serves to keep them in the forefront of

## **Identifying Needed Equipment (cont.)**

peoples minds when being asked to develop school equipment lists. The identification of instructional equipment presents additional challenges and requires intentional planning and even research on the part of the school district's project design team. Probably the most overlooked items are those that pertain to the maintenance and operation of the new or renovated school. Items in this category include custodial care equipment, personnel lifts and similar items that are dedicated to the use and operation of that specific facility. Maintenance items such as test equipment that would be used at multiple school locations are not appropriate purchases under the capital equipment associated with the school facility being constructed.

### **Distinguishing Between Supply and Equipment Items**

An item can be classified as **supply** if it meets one or more of the following criteria:

1. It is consumed, worn out, or deteriorated as it is used, to the point of being not useful or not available for its principal purpose, and under normal conditions of use, it reaches this state of being not useful or not available for its principal purpose typically within one (1) but not more than two (2) years.
2. Its original shape, appearance, and/or character changes with use.
3. It loses its identity through fabrication or incorporation into a different or more complex unit or substance.
4. It is expendable, that is, if the item is damaged or some of its parts are lost or worn out, it is usually more feasible to replace the item with an entirely new unit rather than repair it. Examples are paper, pencils, cleaning supplies, etc.

An item can be classified as **equipment** if it is an instrument, machine, apparatus, or set of articles which meets *all* of the following criteria:

1. It retains its original shape, appearance, and/or character with use.
2. It does not lose its identity through fabrication, or incorporation into a different or more complex unit or substance.
3. It is non-expendable; that is, if the item is damaged or some of its parts are lost or worn out, it is usually more feasible to repair the item rather than to replace it with an entirely new unit.
4. Under normal conditions of use, including reasonable care and maintenance, it can be expected to serve its principal purpose for more than one (1) year.
5. It is of significant value, usually over \$300. (The value which the local school district has established in its capitalization policy.)

6. Examples are computers, audio visual items, furniture, library media, etc.

Items which are obviously “supply” in nature may be purchased only if they are an integral part of an equipment package purchase such as with a computer (operating system software) or teaching machine or other device meeting the criteria of an equipment item.

For supply/equipment decision flow chart, see the department’s Uniform Chart of Accounts for School Districts, 2000.

# School Equipment Budgets

---

## Quantities

Equipment items should be purchased only as needed to support the individual school project or program which is authorized. Numbers of desks, computers, calculators, VCRs, TVs, etc., should be, when added to those already available to be moved from any older facility which formerly housed the program; a total of no more than those appropriate to adequately provide for the educational program served by the school construction project named in the funding application or project agreement. The Department of Education & Early Development will approve the general types and quantities of equipment purchases as it approves the educational specifications submitted by the school district. It is the responsibility of the school district to actually purchase the equipment and to make specific cost-benefit value decisions and product selections.

## Overall Budgets

The portion of each school construction or major maintenance project budget used for the purchase of school equipment should respond to the district's instructional program, the type of equipment needed to deliver the program, the grade levels being served, the availability of satisfactory existing equipment and the cost and quantities of new equipment. Traditionally, school equipment budgets have been thought of as a percentage of the facility construction cost. Current experience is showing percentages ranging as high as eight percent. This figure is for new construction; a lesser amount often is sufficient in renovations due to the availability of existing equipment items. For projects funded by appropriations made to the Department of Education & Early Development, total equipment budgets (i.e. conventional equipment plus technology items) have been limited to 7% unless a detailed justification is provided which shows the correlation between a school board approved instructional program and the need for additional equipment.

While budgeting for equipment as a percentage of construction cost has some merit, state-wide equity is difficult to achieve due to the widely varying construction costs of Alaska schools. Whereas the cost of acquiring a constructed facility involves labor costs, material costs and substantial premiums to access and serve remote sites, the cost of acquiring school equipment is more likely to be similar among districts regardless of location. Some small increases can be expected for shipping and quantity discounts as well as the services required to install more elaborate systems.

The department is establishing two parameters with which to evaluate school equipment budgets. The first will be the percentage-of-construction method with the standard limitation remaining at 7%. The second budget parameter is established on a per-student basis as shown in the tables on the following page:

## School Equipment Budgets (cont.)

---

Students Served	Technology Equipment	All Other Equipment
<b>Elementary</b>		
• 10 - 100 students	\$1150	\$1400
• 101 - 250 students	\$1050	\$1350
• 251 - 500 students	\$850	\$1250
• over 500 students	\$750	\$1100
<b>Secondary</b>		
• 10 - 100 students	\$1350	\$1700
• 101 - 250 students	\$1250	\$1650
• 251 - 500 students	\$1050	\$1550
• over 500 students	\$950	\$1400

*Note: for schools with a mix of elementary (K-6) and secondary students (7-12), the aggregate number of students will determine which per-student allotment is used. Example: A K-12 school with 86 students in grades K – 6 and 59 students in grades 7 – 12 would use figures from the 101 – 250 category (\$1050 and \$1350 for elementary and \$1250 and \$1650 for secondary. These would be applied to the specific numbers of students in each grade grouping.*

### Summary

Projects funded by appropriations made to the Department of Education & Early Development, total school equipment budgets will be limited to the lesser of the amounts generated by the percentage of construction cost formula at 7%, and the per-student formula shown above. The opportunity to provide detailed justification which shows the need for additional funding of equipment remains in effect. Remote schools will be allowed an additional amount to account for estimated shipping and installation costs.

For projects providing new facilities or projects constructing space for new media programs which do not replace another facility, the initial purchase of library media is appropriate for inclusion in the equipment budget.

# Accounting for Equipment Purchases

---

## **Installed Equipment**

Built-in equipment or furnishings or those pieces of equipment which are an integral part of a building system are normally included in the construction documents and are not considered capital equipment for the purposes of a fixed asset inventory. Installed equipment is instead accounted for as part of the building cost.

## **Fixed Asset Inventory**

The Property Accounting Manual for Public Schools, 1980, provides procedures and requirements for establishing and maintaining a property accounting system. Equipment purchased as part of a school construction project will be recorded in this system. A great deal of unnecessary work is created if every single item of property is recorded, no matter how small the value. Therefore, a minimum cost should be established for an asset to be entered into the fixed asset records, usually in the range from \$200 to \$500. The Property Accounting Manual for Public Schools recommends that all equipment which costs more than \$300 be recorded and accounted for as fixed assets, while the Alaska Department of Education & Early Development Uniform Chart of Accounts, 2000, requires \$500. The school districts/municipalities capitalization policy may set a lower threshold for equipment. The cost established as the threshold should be stated in the fixed asset portion of the annual audit.

## Appendix A - Definitions

---

**Installed Equipment:** *Built-in equipment or furnishings or those pieces of equipment which are an integral part of a building system.*

**Fixed Assets:** *An account grouping used to track the balance of expenditures and revenues associated with owned property.*

**Property:** *Physical assets including land, buildings and equipment.*

**Supplies:** *Items which are consumed during normal use or are more feasible to replace with an entirely new unit rather than repair it. Supplies are not part of the fixed asset account group.*

**Technology:** *An integrated system of electronic and mechanical equipment, associated software and peripherals which creates and/or process information to support a school's educational program.*