

## **BUDGET: SUPPLIES AND EQUIPMENT CRITERIA**

I. **GENERAL.** Guidelines for determining if the item ordered is a supply item or considered a capital equipment purchase.

A. **Criteria for Supply Items:**

1. It is consumed in use.
2. It loses its original shape or appearance with use.
3. It is expendable, that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to replace it with an entirely new unit rather than repair it (which is not true of equipment).
4. It is an inexpensive item having characteristics of equipment whose small unit cost (less than \$100) makes it inadvisable to capitalize the item.
5. It loses its identity through incorporation into a different or more complex unit or substance.

B. **Definition:** A capital equipment item must meet one or more of the following conditions:

1. Equipment built in or fixed to the building or grounds.
2. Has a life over one or more years-not consumable.
3. Can be repaired for less than original cost.
4. Original cost over \$100.00.

## II. **BIDS AND QUOTES**

A. **Requirements for Quotes:**

1. Quotes require 1 week to research, write specifications and mail after receiving request.
2. Quotes require 2 weeks for vendor to respond.
3. Quotes require approximately 1 week to determine award. Often, research and meetings are required to determine who should be granted the award.
4. Allow approximately 4 weeks for quotes.

B. **Requirements for Bids:**

1. Bids require 1 week to research and write specifications, and mail after receiving requests.
2. Bids require 2 consecutive weeks advertising in paper to satisfy bid laws.
3. Bid opening must be 7 or more days after the last advertisement.
4. Bids require approximately 1 week to determine award. Often, research and meetings are required to determine who should be granted the award.
5. Bid prepared for School Boards approval.
6. Allow approximately 6 weeks for bids.

Anoka-Hennepin District No. 11  
 Coon Rapids, MN 55433  
 January 1985  
 Revised July 1994