

# HOW ASSET TRACKING AIDS Educational Institutions in Saving Money, Time, and Worry



On any regular day, professionals at educational institutions have more than enough work to keep them busy. Administrators must manage budgets and financial goals, outline policies and procedures, and help set up educational missions and standards. Teachers, in addition to educating students in the classroom, must also grade papers and exams, keep their classroom supplies stocked, and prepare for future lessons and meetings.

Unfortunately, all of these tasks and more means leadership at most K-12 and higher education establishments are too busy to properly keep track of one of a school's most important concerns: its assets.

Every year, educational institutions lose thousands to millions of dollars per establishment simply because they are not accurately tracking and measuring their assets, such as classroom supplies, computers, and sports and music equipment. In fact, estimates from lost and "ghost" (a.k.a. missing) assets can go as high as \$250,000 a year per school district<sup>1</sup>. Numbers like this can not only put a financial strain on individual schools, but also on the people who have a vested interest in the success of those schools.

In terms of public K-12 schools, administrators and teachers must make up for asset losses with what limited resources they have at hand. The lack of proper asset tracking in public schools can also have a ripple effect on the entire district and state, ultimately throwing multiple school budgets off-balance, affecting students in other schools, and impacting taxpayers, as well. Incorrect asset management will also affect future funding efforts for individual schools, who may be held accountable for not meeting state or federal funding compliances.

For higher education institutions, mismanaged assets can result in an increase in tuition fees to cover these losses, a burden which college students and their parents must bear by paying more each semester out-of-pocket or through more loans. Professors may also notice a change in their classroom allowances or even paychecks, in the case of severe asset tracking problems. Additionally, university staff and leadership must often report asset losses as part of financial summaries to any college benefactors and supporters.

The monetary issues which arise from improper asset tracking in educational institutions gets even more complicated when non-physical assets are added to the equation. This is because school inventory isn't just limited to items like furniture and computers; assets can also include petty cash funds, student activity funds, and even cash and investment accounts. If any of these types of assets aren't effectively tracked, educational institutions can lose up to millions of dollars a year, on top of losses already incurred from physical assets.

## Case Study: School District of Philadelphia Loses \$196,000

The impact poor asset tracking can have on educational institutions not a myth. The School District of Philadelphia is a cautionary tale of what can happen if school inventory isn't managed as it should be.



In 2013, Philadelphia City Controller Alan Butkovitz released an audit stating 67% of selected inventory from across eleven schools could not be located. Missing items included computers (such as an Apple iMac valued at \$1379), cameras, air conditioners, medical supplies, musical equipment (West Philadelphia High School alone lost \$5150 in instruments), office furniture, and even snow blowers. The total loss incurred from these items was valued at \$196,000.



<http://www.accountingweb.com/technology/accounting-software/asset-loss-costs-average-school-district-250000-a-year>



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Butkovitz found district personnel had not properly documented equipment left at old schools or items removed from schools without permission. The Controller also blamed inventory software which lacked “sufficient accountability over deleted inventory.” “These findings suggest the District is not properly safeguarding and accounting for its \$272.6 million furniture and equipment inventory,” said Butkovitz. “There appears to be a clear breakdown in the District’s procedures over its inventory, which reduced the ability to locate sampled property.”

In addition to losing the aforementioned items, district accountants were also found guilty of failing to identify \$66 million worth of errors in cash and investment accounts. The audit also reviewed the petty cash and student activity funds from six schools, worth around \$20,700. The Controller’s audit revealed a shortage of over \$14,000, nearly a 70% shortage across the selected funds.

Clearly, asset tracking in educational institutions is an important financial concern.

## More Issues from Improper Asset Tracking



In addition to financial concerns, a plethora of other issues arise when schools, colleges, and universities don’t maintain solid records of their assets. The following issues could easily be rectified with a robust asset tracking system in place at educational institutions:

### ► Decreased productivity and efficiency

Without software to track and manage assets, schools, colleges, and universities are only left with the option of manually recording and handling inventory using spreadsheets or even regular text documents. Unfortunately, manual asset tracking results in a decrease in both productivity and efficiency across the entire establishment.

For example, manually entering and tracking assets uses up lots of time, as does doing audits by hand instead of automating them with asset software. Such time could be saved and put to better use in advancing the educational institution’s goals and needs if employees were freed up from manual asset management.

### ► Cost increases

As previously mentioned, not tracking assets with a flexible management system often results in items going missing, or being lost entirely. Even with a good emergency or backup fund in place, many educational institutions don’t have enough money to cover replacements for all their missing assets (especially when those numbers reach as high as \$250,000 per district).

In many cases, the financial burden of getting new assets is passed on to the students, parents, district, or benefactors. This increase can occur through tuition hikes, higher local taxes, or even more aggressive fundraising campaigns.

### ► Operational setbacks

Both decreased productivity and cost increases can combine to create the additional issue of operational setbacks. For example, any error in manual tracking can lead to confusion about who last touched or used a particular asset, which can then lead to the asset going missing entirely. Schools must then figure out how to make do without that asset until it’s replaced (if it ever is).

Likewise, if an educational institution isn’t able to replace missing assets, it may instead opt to pull money from other areas, such as student organization funds or teacher allowances. This decision, too, will result in setbacks for both the students and teachers who rely on that money to make the educational experience more enjoyable and worthwhile.

### ► Lack of accountability

One of the biggest issues which arises for schools without reliable asset management technology is a lack of accountability. Without asset tracking software that can easily be updated and accessed across the entire institution’s leadership and staff, how are any of them to know who was last in charge of or touched each asset?

Educational institutions whose asset management systems don’t keep track of who deals with assets on a regular basis must handle a lot of unnecessary headaches when something goes wrong. Without accountability, schools won’t easily be able to know who was responsible when an asset goes missing, when they could instead simply look up that asset’s history in the system.

### ► Failure to meet funding compliances

If a school or university has received state or federal funding, they are often required to keep careful track of all income and expenditures and report those numbers by set deadlines. Any errors could result in a failure to meet funding compliances, and yet schools routinely fail to meet such compliances due to improper asset tracking.

As noted in the Philadelphia school district example, district employees failed to both track thousands of dollars worth of equipment left at or taken from schools, and identify \$66 million in errors in cash and investment accounts. These types of financial inaccuracies could easily sway state and federal committees to avoid providing future funding to the schools who misquoted finances due to asset recording errors.

## The Solution to Asset-Related Issues in Educational Institutions



All these problems don’t need to plague schools, colleges, and universities with doubt and worry. In fact, the solution to avoiding all of them is simple, and yet many schools haven’t implemented it or even considered it before: asset tracking and management software.

Robust, flexible, and cloud-based asset tracking tools with a matching mobile app can help educational institutions alleviate their concerns in a variety of ways, including:



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For more information, visit [assetpanda.com](https://assetpanda.com)

### ▶ **Saving money and bypassing budget issues**

When schools have an asset management system in place that's not manual, it will help save money in a variety of ways, including paying employees for multiple hours of manual tracking as well as helping to keep the budget predictable and steady.

### ▶ **Tracking down stolen, lost, or missing assets**

It can be impossible to find assets which have been lost, stolen, or are simply missing (known as ghost assets). With robust asset software, educational institutions can track these items down and ensure they're accounted for within the database.

### ▶ **Enforcing accountability for anyone who touches assets**

Many times, manual asset tracking means someone forgets to mark down who last used or touched an asset, which means that person can't be held accountable should something go wrong. This situation is significantly reduced when everyone is required to properly track and record their asset usage in the asset tracking system.

### ▶ **Keeping everything in a centralized database accessible by as many users as needed**

With manual asset tracking, school, college, and university staff must usually be able to access the institution's local network to edit their asset spreadsheets. But a cloud-based platform means as many of these professionals as a school needs can keep track of assets from wherever they are, whenever they need to.

### ▶ **Reducing auditing time and improving accuracy in audits**

Instead of having to manually run numbers and go through an asset spreadsheet system come auditing time, educational institutions can rest assured a more thorough asset tracking platform will have reports ready on-hand to help reduce auditing time and provide better accuracy in the results than a manual system might.

### ▶ **Avoiding purchasing unnecessary items like duplicate printers or classroom supplies**

In many cases, K-12 schools and colleges will buy unnecessary extra supplies because their manual asset tracking systems can't show them it was already purchased. This risk is eliminated when using a powerful, cloud-based platform.

### ▶ **Scanning assets with a mobile app instead of needing multiple barcode scanners**

With a flexible asset tracking platform which boasts a mobile scanner, employees of educational institutions don't need to buy, use, and share real barcode scanners (which are just more assets to keep track of) to manage their inventories.

### ▶ **Planning new efforts like building expansions or renovations with ease**

Any time a school or university plans an expansion, that institution can keep track of all needed blueprints, construction equipment, moved educational items, etc. within the cloud-based asset tracking system.

### ▶ **Integrating with the school's IT help desk**

Educational institutions often employ one to many IT and computer technicians to help keep computers running smoothly, but they often do so using a system separate from the institutions' asset management program. An asset tracking platform which can integrate with this computer maintenance system, however, can streamline communications and maintenance needs across the entire campus.

### ▶ **Presenting an overall professional, forward-thinking image of the school**

A school that doesn't know how to handle its assets looks bad to parents, taxpayers, and supporters. But when a school employs an effective, adaptive, cloud-based system, it presents a more professional presence, one that isn't afraid to look ahead and plan for its needs using modern asset tracking practices.

With Asset Panda's cloud-based platform, educational institutions can experience all these benefits and more. Our extensive, customizable software is available on both web and mobile platforms, and has already helped multiple schools and colleges across the United States record, organize, and manage their assets. Some of Asset Panda's leading education clients include Arizona State University, Yale, the University of Texas at Austin, Gateway Technical College, and the University of Connecticut.

One public school system which has particularly benefited from Asset Panda's software is North Carolina's Cleveland County district. These schools needed to better organize materials and inventory, so they implemented Asset Panda's education asset tracking system. And when Cleveland County Schools was having trouble setting up the system with its previous asset tags, the Asset Panda team was able to adjust the software to accommodate the district's needs.

"At first our asset tags wouldn't work with the Asset Panda system. But the wonderful technology people were able to adjust your system so it would work with ours.



This way we didn't have to create new tags for our materials," explained Yvonne Franz, Lead Teacher for the Visually Impaired at Cleveland County Schools. "Once other departments saw how we were able to access our inventory, we had 2 other departments join Asset Panda."

Franz also noted how Cleveland County Schools hasn't lost a single piece of inventory since signing up for Asset Panda.

If your K-12 school or higher education program needs to get its assets in order like Cleveland County Schools did, you can sign up for a free 14-day trial to see if Asset Panda is right for you. You can also contact us for more information and a personalized quote.



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