FISCAL ACCOUNTING AND REPORTING
(This policy replaces previously approved Board of Education Policy #3440)

The Board of Education insists on clear, complete, and detailed accounting of all financial transactions for which the Board is held accountable.

A. Accounting and Reporting Systems

The system of accounts will conform to the Uniform System of Accounts for School Districts. The accounting system will yield information necessary for the Board to make policy decisions.

Proposed expenditures will be budgeted under and the actual expenditures will be charged to categories that most accurately describe the purpose for which monies are to be spent.

The Board directs the District's Treasurer to keep them informed of the financial status of the District through monthly cash reconciliation and budget status reports and annual fiscal reports. The Treasurer should highlight any deviation in actual fiscal conditions from planned fiscal conditions and offer recommendations to the Board to remedy the situation. The Assistant Superintendent for Finance and Operations will prepare and submit such reports, through the Superintendent, to the Board and the Commissioner of Education. These reports shall be filed with appropriate governmental bodies as required under law or regulation. The District will cooperate with governmental agencies and research organizations, as required by law, for data concerning the fiscal operations of the District.

B. Inventory

In order to comply with Generally Accepted Accounting Principles, inventory records shall be maintained for the following purposes:

- Control of stocked supplies in the warehouses; and
- Management of Fixed Assets in order to: provide a sound basis of replacement values for proper insurance coverage; provide asset management and accountability; and provide proof of loss.

1. <u>Inventory records for general supplies shall be maintained and shall include:</u>
   a. Description of item, including item number and unit of measure;
   b. Date of purchase;
   c. Quantity on hand;
   d. Quantity purchased/cost;
   e. Stock limit and reorder point (min/max balance);
   f. School/department receiving supplies; and
   g. Date supply request entered.

2. <u>Reports</u>
   The following reports shall be utilized:
   a. Supply Price Report
   b. Supply Quantity Report
   c. Low Stock Report

   d. Building/Department Fund Balance
      Each month the Purchasing Department shall prepare a report showing the

remaining balance in each building/department's account. A copy of this report shall be sent to each specific building/department showing the remaining funds available. When a building/department consumes its' budget for general supplies prior to the end of the school year, the budget supervisor will be notified by the Purchasing Department that a budget transfer is required.

3. Reordering General Supplies
   The following shall be considered when reordering general supplies:
   a. Time of the year
   b. Amount of space available in the warehouses and
   c. Anticipated consumption of any particular supply item for the balance of the school year.

4. List of General Supplies
   Prior to the beginning of each September, a list of general supplies, with the item number, description and current cost, shall be made available to all buildings/departments. When necessary, the Purchasing Agent and/or a District committee shall review this list and, ~~when necessary~~, add or deduct items. Such items may be deleted due to changes in technology (e.g., spirit masters and spirit fluid being replaced by copy machines).

5. Physical Inventory
   At least once every quarter, a portion of the list of general supplies will be physically counted to verify that the inventory agrees with the "Quantity On Hand" report.

C. Fixed Asset Evaluation

The District shall maintain an inventory of its' fixed assets in order to:

- Maintain control and accountability of property;
- Establish insurable values of assets for use in a sound insurance coverage program; and
- Be in compliance with pronouncements of Governmental Accounting Standards Board #34 (GASB).

As a member of the New York State Insurance Reciprocal (NYSIR), the District shall take advantage of the reduced rates offered by the asset appraisal company recommended by NYSIR.

Every five (5) years, the appraisal company shall be called upon to do a complete asset evaluation within the District by performing a complete physical inventory of fixed assets. This appraisal company shall provide a Certified Appraisal Report that will include a detailed listing and valuation of the physical assets at all District locations.

This appraisal report shall contain at least the following information:

1. Tables

Schedules will be created showing assigned codes utilized and the corresponding definitions for those codes.

2. Accounting Summary
   This section shall include:
   a. Assets having an acquisition cost equal to or in excess of the District's capitalization policy, and
   b. Those assets acquired prior to the fiscal year, sorted by fund and type.

3. Physical Location Report
   This report shall be a detailed listing of assets sorted by fund, location, building and room. This report shall support the totals in the Accounting Summary.

4. Insurance Summaries
   These reports shall include all assets as of the date of the appraisal and shall be sorted by location, building and display totals by asset types.

5. Insurance Detail
   This listing shall combine the cost of replacement of new items, and the cost of the replacement items less the depreciation (actual cash value). This report shall be sorted by location, building and room.

   These reports shall also include the following information:
   a. Location code;
   b. Fund code;
   c. Purchase Order number;
   d. Asset classification;
   e. Identification number;
   f. Date acquired;
   g. Replacement cost;
   h. Sound value; and
   i. Acquisition cost

6. Tagging
   The procedures of tagging all fixed assets shall be continued. The Asset Appraisal Company shall replace all missing tags they find during this inventory and report the pertinent information to the Purchasing Department. During the course of the fiscal year, the receiving warehouse shall tag all incoming assets and also report this information to the Purchasing Department for inclusion in the Districts' annual report.

7. Annual Report
   At some time during the last month of the fiscal year, all assets that are acquired during the year shall be added to the year-end report. The Purchasing Department shall receive a copy of the Security Report, listing any asset that is either reported stolen or damaged beyond use. In addition, the Purchasing Department shall process all requests to either

scrap fixed assets or have these assets declared surplus to the needs of the District. Once approved, these items shall be removed from the inventory. (See Policy 6900 - Sale and Disposal of Surplus District Equipment, Books, Materials and Supplies

8. Capitalization Policy
   All assets having a net cost up to $4,999.99 shall be charged to a supply code (5000 series - budget code). All assets having a net cost of $5,000.00 or more shall be charged to an equipment code (2000 series – budget code). Purchasing assets over $5,000.00 during an austerity budget must meet the New York State guidelines for austerity budgets and must be approved by the Superintendent of Schools.

9. Asset Verification Audit
   Once yearly, the District will verify items listed in the Fixed Asset Database are in their reported location.

   a. Responsibility
      The Director of Operations and Purchasing Agent will undertake this task. Additional help will be provided by Information Technology, and the Food Service Department to verify the locations of assets within the scope of their programs.
   b. Test Sample
      A random sample of five (5) items for each building will be generated by the Purchasing Department. District personnel identified in paragraph "a" (above) will be assigned a part of the listing and will verify the reported location.
   c. Missing/Relocated Assets
      Any asset that is not in its proper location as originally reported shall be noted. The Purchasing Department will in turn notify the Building Principal or Department Head to verify the new location of the asset. Records will then be updated accordingly.

Cross-ref: 1120, School District Records
6660, Independent/External Audit
6900, Sale and Disposal of Surplus District Equipment, Books, Materials and Supplies

Ref: Education Law §§1610; 1721; 2117; 2528; 2577; 2590-i
General Municipal Law §§33; 34
8 NYCRR §§155.1; 170.1; 170.2

Approved by the Board of Education: 06/17/10
Revision approved by the Board of Education: 03/15/12
Revision approved by the Board of Education: 12/22/16
Revision approved by the Board of Education: 10/20/22