

SUBJECT: ACCOUNTING OF FIXED ASSETS

The Superintendent or his/her designee shall be responsible for maintaining a continuous and accurate inventory of equipment owned by the District.

All supplies and equipment purchased and received by the School District shall be checked, logged, and stored through an established procedure.

The School Business Official shall be responsible for accounting for general fixed assets according to the procedures outlined by the Uniform System of Accounts for School Districts and GASB Statement 34 Regulations.

These accounts will serve to:

- a) Maintain a physical inventory of assets;
- b) Establish accountability;
- c) Determine replacement costs; and
- d) Provide appropriate insurance coverage.

Fixed assets with a minimum value established by the Board that have a useful life of one (1) year or more and physical characteristics not appreciably affected by use or consumption shall be inventoried and recorded on an annual basis. Fixed assets shall include land, buildings, equipment and materials.

The Board shall establish a dollar threshold as a basis for considering which fixed assets are to be depreciated. Such threshold shall ensure that at least eighty percent (80%) of the value of all assets is reported. However, it is recommended that such threshold shall not be greater than \$5,000. A standardized depreciation method and averaging convention shall also be established for depreciation calculations.

Fixed assets acquired having a value equal to or greater than the established threshold are considered depreciable assets and shall be inventoried for the purposes of GASB 34 accounting practices and placed on a depreciation schedule according to its asset class and estimated useful life as stipulated by the NY State Comptroller's Office or the IRS.

Assets shall be recorded at initial cost or, if not available, at estimated initial cost; gifts of fixed assets shall be recorded at estimated fair value at the time of the gift. A property record will be maintained for each asset and will contain, where possible, the following information:

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- a) Date of acquisition;
- b) Description;
- c) Cost or value;
- d) Location;
- e) Asset type;
- f) Estimated useful life;
- g) Replacement cost;
- h) Current value;
- i) Salvage value;
- j) Date and method of disposition; and
- k) Responsible official.

The School Business Official shall arrange for the annual inventory and appraisal of School District property, equipment and material. Any discrepancies between an inventory and the District's property records on file should be traced, explained, and documented

An annual inventory of equipment to include instructional equipment shall be maintained. All items that have a life expectancy of five years or longer shall be included in the inventory, with the exception of equipment permanently fixed in a building such as heaters or lockers. The equipment inventory shall serve both the functions of control and conservatism. A subsidiary master inventory and annual inventory shall be maintained for the Title I program in accordance to EDGAR Part 80.32 and 80.36. The Title I inventory shall be maintained for at least five years.

An inventory of supplies which are warehoused shall be maintained separately for the instructional, cafeteria, maintenance, and transportation departments. A physical inventory shall be taken annually.

All equipment will be labeled. All Title I equipment shall be properly labeled to include "Title I".

Disposition of Federal Grant to include Title I equipment: When original or replacement equipment acquired under a Federal grant or sub-grant is no longer needed for the original project or program or for other activities currently or previously supported by a federal agency, disposition of the equipment will be made as follows:

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- a. Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.
- b. Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.
- c. In cases where the District fails to take appropriate disposition actions, the awarding agency may direct the grantee or sub-grantee to take excess and disposition actions. No federal approval is necessary to dispose of equipment costing over \$5,000 but for sub-grantees, NYSED, approval is necessary. Once NYSED has determined that it has no other need for the use of the equipment, sub-grantees are free to proceed with the sale of equipment.

References:

Uniform System of Accounts for School Districts (Fiscal Section)
EDGAR Part 80.32 and 80.36

Adopted: 9/19/05
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