

Non-Instructional/Business Operations

SUBJECT: INVENTORIES AND 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 in accordance with "The Uniform System of Accounts for School Districts."

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

The School Business Manager 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 the use of 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. The Belfast Central School Board of Education has set the capitalization threshold at \$5,000.

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 New York State Comptroller's Office or the Internal Revenue Service (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:

(Continued)

Non-Instructional/Business Operations

SUBJECT: INVENTORIES AND ACCOUNTING OF FIXED ASSETS (Continued)

- 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 Manager 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 and explained.

Equipment Acquired Under a Federal Government Grant

The School District shall comply with U.S. Department of Education regulations governing the use, management requirements and disposition of any and all equipment acquired through a federal government grant. These federal Education Department General Administrative Regulations (collectively known or referred to as EDGAR) comprise 74 through 99 of Title 34 of the Code of Federal Regulations (CFR).

Equipment Purchased with Extraclassroom Funds

Title to all equipment acquired with extraclassroom activity funds shall reside with the District and be carried as an insurable asset on its list of insurable values. Such equipment shall be tagged as District property, but is available for exclusive use by the extraclassroom activity club acquiring the item.

34 Code of Federal Regulations (CFR) 80.32

Adopted: 5/11/04
Revised: 5/24/11; 1/9/18