

ACCOUNTING OF FIXED ASSETS, INVENTORY AND TRACKING

I. Statement of Policy

The School Business Official or designee shall be responsible for accounting for general fixed assets according to the procedures outlined by the Uniform System for Accounts for School Districts and GASB Statement 34 Regulations. These accounts will serve to:

1. Maintain a physical inventory of assets;
 2. Establish accountability;
 3. Determine replacement costs; and
 4. Provide appropriate insurance coverage.
- II. Fixed assets with a minimum value established by the Waterville Central School District 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.
- III. The Board of Education (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.
- IV. 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 IRS.
- V. Assets shall be recorded at initial cost or, if not available, at estimated initial costs; 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:
2. Date of acquisition;
 3. Description;
 4. Cost or value;
 5. Location;
 6. Asset type;
 7. Estimated useful life;
 8. Replacement cost;
 9. Current value;
 10. Salvage value;

POLICY

FISCAL MANAGEMENT

4504

ACCOUNTING OF FIXED ASSETS, INVENTORY AND TRACKING

11. Date and method of disposition;
 12. Responsible official;
- VI. The Business Official or designee shall arrange for the annual inventory and appraisal of District property, equipment and material. Any discrepancies between an inventory and District property records on file should be traced and explained.
- A. Inventory of equipment to include instructional equipment shall be maintained. All items that have a life expectancy of five (5) years or longer shall be included in the inventory, with the exception of equipment permanently fixed in a building such as heaters or lockers.
 - B. An inventory of supplies which are warehoused shall be maintained separately for instructional, cafeteria, maintenance, and transportation departments.
- VII. Title I Equipment
- A. All equipment purchased with Federal Title I Funds shall be identified as "Title I" on the inventory tag and in the inventory list.
 - B. 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:
1. Items of equipment with a current 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.
 2. 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.
 3. 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 not other need for the use of the equipment, sub-grantees are free to proceed with the sale of the equipment.

POLICY

FISCAL MANAGEMENT

4504

ACCOUNTING OF FIXED ASSETS, INVENTORY AND TRACKING

VIII. Leases

- A. GASB 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.
- B. GASB 87 defines a lease as a contract that conveys control or the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. This can include, but is not limited to, buildings, land, vehicles, and equipment.
- C. Any contract meeting the definition of a lease in which the District is either a Lessee or Lessor shall be accounted for under the applicable rules and guidance of GASB 87, unless specifically excluded.

IX. Borrowing of Assets

Personal property, supplies, equipment and tools may not be borrowed or used for personal projects or private gains.

The District shall comply with federal regulations including uniform grant guidance governing the use, management, and disposition of all equipment acquired through a federal grant.

X. Equipment Purchased with Extra-classroom Funds

All equipment acquired with extra-classroom activity funds will reside with the District and be carried as an insurable asset on its list of insurable values. This equipment will be tagged as District property but available for exclusive use by the classroom activity club acquiring it.

Waterville Central School District

Legal Ref: NYS Education law Section 2116(a), Uniform System of Accounts for School Districts, EDGAR Part 800.32 and 80.36

Adopted: 11/09/10

Revised: 11/18/14, 02/13/24