

Objectives

The fixed asset policy of the District shall:

1. Comply with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board;
2. Comply with the Financial Accountability System Resource Guide of TEA; and
3. Comply with federal regulations pertaining to grant application requirements.

Authorized Fixed Asset Officer

The Executive Director of Support Services or designee shall serve as the fixed asset coordinator of the District and shall be responsible for reallocating or disposing of surplus equipment. All fixed asset transactions shall be recorded and maintained by the warehouse department according to corresponding procedures.

Fixed Asset Classes of Property

Items that will be included as capital property include the following classes:

1. Land and land improvements
2. Buildings and building improvements
3. Infrastructure
4. Construction in progress
5. Furniture and equipment
6. Vehicles
7. Library Books and Media
8. Leased furniture and equipment
9. Right-to-use (leases)
10. Subscription based information technology arrangements (SBITAs)

Fixed Asset Coding and Identification

Appropriate asset tags shall be used to identify certain assets as determined by the Executive Director of Support Services. The tag numbers shall be placed on the property by warehouse personnel as the items are received or, in instances where it is necessary to deliver the fixed asset purchase to a site other than the warehouse, the receiving party shall make arrangements with the warehouse and fixed asset personnel to get assets tagged appropriately. Fixed asset coding shall be detailed in warehouse procedures to ensure managerial reports may be prepared accordingly.

Fixed Asset Records

Adequate fixed asset records shall be used to provide:

1. A listing of fixed asset inventories by funding source, description, cost, and location.
2. Information regarding new acquisitions.
3. A listing of asset transfers from one department or area to another.
4. Information on retirement or disposition of fixed assets.
5. Information for risk management concerns.
6. Reports to plan for asset replacement or enhancement in the capital budgeting process.
7. Information identifying assets that may be shared or utilized by other departments to avoid unnecessary purchases.

**Fixed Asset Values
(Capitalization
Threshold)**

A fixed asset is defined as an item that is tangible in nature and has a useful life greater than one year. Capitalized fixed assets shall be those with a per-unit cost that is equal to or exceeds \$10,000. Other items may be inventoried as deemed necessary by the District.

The superintendent has determined the capitalization threshold for a group of assets to be \$25,000 for assets where the individual cost does not exceed the capitalization threshold but the cost in the aggregate has been determined to be significant, and the assets will be used as one unit.

**Capitalization of
Federally Funded
Assets**

All individual federally funded assets with a cost of \$10,000 or more shall be capitalized in accordance with local policies.

**Fixed Asset
Depreciation
Schedule**

The useful life of fixed asset property shall be provided by the State Comptroller schedules and manufacturer recommendations. The straight-line depreciation method shall be used for all fixed assets.

**Fixed Asset
Inventories**

Warehouse personnel are responsible for maintaining asset records in the fixed assets database. Asset records include, at minimum, the description of the asset, tag/barcode, date of acquisition, historical cost, serial number, manufacturer, model, location, P.O. number, funding source, expected useful life and disposal date. A physical review of assets is conducted annually by warehouse personnel. Capital assets are physically reviewed at least every two

years by warehouse personnel and/or the Finance Department.

**Right-to-Use Asset
(Leases)**

Leases are a contracts that give the District the right to use another entity's non-financial asset over a term of more than 12 months. This shall include the general terms stated on the least contract and any extension periods. In accordance with GASB 87, the District shall recognize principal and interest payments on leases.

**Subscription-
Based Information
Technology
Arrangements
(SBITAs)**

SBITAs are contracts that give the District the right to use another entity's information technology software over a term of more than 12 months. This shall include the general terms stated on the contract and any extension periods. In accordance with GASB 96, the District shall recognize principal and interest payments on qualifying SBITAs.