

## FIXED ASSETS MANAGEMENT SYSTEM REGULATION

- A. Fixed assets management.
1. The superintendent will be responsible to oversee the fixed assets program and shall:
    - a. Conduct the initial fixed assets physical count;
    - b. Develop the initial fixed assets listing;
    - c. Tag fixed assets included in the fixed assets management system with a bar code identification number;
    - d. Make a recommendation of a computer software program for managing the fixed assets management system;
    - e. Enter the necessary data into the fixed assets management system and compile the appropriate reports;
    - f. Develop forms and procedures for maintaining the integrity of the fixed assets management system; and
    - g. Maintain responsibility for an accurate fixed assets management system.
  2. The initial fixed assets listing process was completed June 30, 1997.
    - a. Adopt board policy.
    - b. Purchase computer software package with spreadsheet and reporting capabilities compatible with the current accounting computer software.
    - c. Develop forms for the initial fixed assets physical count and listing.
    - d. Complete the initial test reports and correct errors.
    - e. Develop forms/process for the annual fixed assets physical count and fixed assets listing update and as fixed assets are relocated or disposed.
    - f. Assign responsibilities for maintaining the fixed assets management system.
- B. Initial machinery and equipment fixed assets listing process.
1. Assign one person per building to oversee the fixed asset program.
    - a. Teachers are responsible for their rooms.
    - b. Administrators are responsible for their offices.
    - c. Transportation director is responsible for the school district vehicles.
    - d. Food service supervisor is responsible for the food service areas.
    - e. Maintenance supervisor is responsible for the supply/storage/office areas.
    - f. Open areas are the responsibility of the building person assigned to oversee the fixed asset program.
  2. Machinery, Equipment, and Fixed Assets must be completed for an historical cost equal to or greater than \$2,500. The following information must be collected and entered into the fixed assets system:
    - a. Name of location-building/department/room;
    - b. Location-building/department/room code;
    - c. Balance sheet accounting/class code;
    - d. General fixed assets account group or proprietary fund asset (state proprietary fund);
    - e. Addition/acquisition date;
    - f. Check/purchase order number or gift;
    - g. Bar code identification number assigned to and placed on the fixed assets in a consistent manner by the superintendent/designee or designee;
    - h. Serial/model number;
    - i. Cost-historical/addition/acquisition or estimated cost;
    - j. Estimated useful life (proprietary funds only);
    - k. Vendor;
    - l. Purchasing fund;

- m. Description of fixed asset;
- n. Fair market value on acquisition date (donated fixed assets only);
- o. Department/person charged with custody;
- p. Method of addition/acquisition-purchase, trade, gift, etc.;
- q. Quantity; and
- r. Replacement cost.

C. Initial real property fixed assets listing process.

1. The superintendent will be responsible to oversee the initial real property fixed assets listing.
2. Initial Real Property fixed assets must be completed. The following information must be collected and entered into the fixed assets management system:
  - a. Acquisition date;
  - b. Seller;
  - c. Cost-historical/addition/acquisition, including legal, architect, surveying and other related fees;
  - d. Fair market value on acquisition date (donated fixed assets only);
  - e. Estimated useful life of buildings (proprietary funds only);
  - f. Balance sheet accounting/class code;
  - g. Legal description;
  - h. Location/address; and
  - i. Addition/acquisition authorization.

D. Determining historical costs

1. The historical cost of fixed assets is based on the actual costs expended in making the fixed assets serviceable. For the initial fixed assets listing of currently owned fixed assets, records indicating the actual costs expended in making the fixed assets serviceable may be available in the district office.
2. Gifts of fixed assets are given an “historical cost” of the estimated fair market value on the addition/acquisition date.
3. Fixed assets purchased under a capital lease are given on historical cost of their net present value of the minimum lease payments on the addition/acquisition date.
4. The historical cost of the fixed assets in the proprietary funds must include capitalized interest and infrastructure.
5. Fixed assets for which the historical cost cannot be determined
  - a. Search board minutes to determine the approximate acquisition date, contract approval date or project approval date.
  - b. Search district office records at the time of the presumed addition/acquisition date, including those in storage, on microfiche or archives, to determine the actual costs expended in making the fixed assets serviceable.
  - c. If no records can be found to determine the actual costs expended in making the fixed assets serviceable the school district may estimate the historical cost using back trending/standard costing after consulting with the school auditor.

E. Annual fixed assets listing reconciliation.

1. The superintendent shall oversee an annual fixed assets physical count to develop the annual fixed assets listing in a manner similar to the initial fixed assets listing process in B above. At least every three years, someone other than the person in custody of the fixed assets in the building/department/room shall perform the fixed assets physical count for the building/department/room.

2. Upon completion of the annual fixed assets listing, the fixed asset listing is reconciled to the fixed assets management system database.
3. Fixed assets found to have been excluded from the database are added to the fixed assets management system. The fixed assets management system process is reviewed to prevent future incidents of excluding a fixed asset.
4. Fixed assets unaccounted for are reported to the superintendent/designee who contacts the supervisor of and the employee/person in charge/control/custody of the fixed asset. The employee/person in charge/control/custody of the fixed asset has thirty days to account for the fixed asset.
5. Fixed assets unaccounted for after thirty days are reported to the superintendent/designee for appropriate action and documentation. "Appropriate action" may include discipline, up to and including discharge, and may require the employee/person in charge/control/custody of the fixed asset to replace the fixed asset.
6. The superintendent is responsible for documenting the reasons each fixed asset was not reconciled to the fixed assets management system.

F. Addition/acquisition of machinery and equipment fixed assets.

1. The school district's required purchasing administrative regulations and procedures must be followed to acquire machinery and equipment fixed assets. The school district's required administrative regulations and procedures must be followed for receiving a gift of machinery and equipment fixed assets.
2. The Machinery and Equipment fixed assets must be completed for each additional machinery and equipment fixed assets with an addition/acquisition cost of equal to or greater than \$2,500. The following information must be collected:
  - a. Name of location-building/department/room;
  - b. Location-building/department/room code;
  - c. Balance sheet accounting/class code;
  - d. General fixed assets account group or proprietary fund asset (name proprietary fund);
  - e. Addition/acquisition date;
  - f. Check/purchase order number or gift;
  - g. Bar code identification number assigned to and placed on the fixed assets;
  - h. Serial/model number;
  - i. Cost-historical;
  - j. Fair market value on acquisition date (donated fixed assets only);
  - k. Estimated useful life (proprietary funds only);
  - l. Vendor;
  - m. Purchasing fund;
  - n. Description of fixed asset;
  - o. Department/person charged with custody;
  - p. Method of addition/acquisition-purchase, trade, gift, etc.;
  - q. Quantity;
  - r. Replacement cost; and
  - s. Addition/acquisition authorization.
3. Machinery and equipment fixed assets, with an addition/acquisition cost of equal to or greater than \$2,500, acquired in a month must be entered into the fixed assets management system in the same month.

G. Addition/acquisition of real property fixed assets.

1. The school district's required purchasing administrative regulations and procedures must be followed to acquire a real property fixed asset. The school district's required administrative regulations and procedures must be followed for receiving a gift of a real property fixed asset.

2. The Real Property Fixed Assets must be completed for each additional real property fixed asset. The following information must be collected:
  - a. Addition/acquisition date;
  - b. Seller;
  - c. Cost-historical/addition/acquisition, cost including legal, architect, surveying and related fees;
  - d. Balance sheet accounting/class code;
  - e. Fair market value on a requisition date (donated fixed assets only);
  - f. Estimated useful life of buildings (for proprietary funds only);
  - g. Legal description;
  - h. Location/address; and
  - i. Addition/Acquisition authorization.
3. For real property fixed assets in the general fixed assets account group, the actual costs of construction in progress, other than infrastructure, is entered into the fixed assets management system in the month in which costs are incurred until the total cost of addition/acquisition is entered. Upon completion of construction, the total costs accumulated over the period of construction are reclassified to buildings.
4. For real property fixed assets in the proprietary funds, the actual costs of construction in progress, including infrastructure construction, is entered into the fixed assets management system in the month in which costs are incurred until the total cost of addition/acquisition is entered. Upon completion of construction, the total costs accumulated over the period of construction are reclassified to buildings.
5. Real property fixed assets acquired in a month must be entered into the fixed assets management system in the same month.

H. Relocation/transfer/disposal of machinery and equipment fixed assets.

1. Relocation/Transfer/Disposal of fixed assets must be completed prior to removing machinery and equipment fixed assets from their current location. The following information must be collected:
  - a. Relocation/transfer date;
  - b. Quantity;
  - c. Bar Code identification number;
  - d. Current location-building/department/room code;
  - e. Name of current location-building/department/room code;
  - f. New location-building/department/room code;
  - g. Name of new location-building/department/room code;
  - h. Date placed at new location-building/department/room code;
  - i. Department/person charged with custody; and
  - j. Relocation/transfer/disposal authorization.
2. Machinery and equipment fixed assets relocated/transferred/disposed of in a month must be entered into the fixed assets management system in the same month.

I. Fixed assets reports.

1. Annual reports for June 30 each year.
  - a. fixed assets listing including the following items for the school auditor:
    - (1) Balance sheet accounting/class code;
    - (2) Purchasing fund;
    - (3) Bar code tag identification number;
    - (4) Description of the fixed asset;
    - (5) Historical cost; and

- (6) Location.
- b. fixed assets listing by location/building;
  - c. fixed assets listing by department/employee/person charged with custody; and
  - d. fixed assets listing by replacement cost.

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