

POLICY

2018

5620

1 of 3

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 fixed assets (supplies and equipment) owned by the District in accordance with "The Uniform System of Accounts for School Districts."

All fixed assets (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 on an annual basis according to applicable rules, standards, procedures, and best practices.

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 five thousand dollars (\$5,000). A standardized depreciation method and averaging convention shall also be established for depreciation calculations.

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)

SUBJECT: INVENTORIES AND ACCOUNTING OF FIXED ASSETS (Cont'd.)

- a) Date of acquisition;
- b) Description;
- c) Serial or other identification number;
- d) Any funding source and percentage contributed by the source;
- e) Vendor;
- f) Cost or value;
- g) Location;
- h) Asset type;
- i) Estimated useful life;
- j) Replacement cost;
- k) Current value;
- l) Salvage value;
- m) Date and method of disposition; and
- n) Responsible official.

Any discrepancies between an inventory and the District's property records on file should be traced, explained, and documented.

Management of Assets Acquired Under a Federal Government Grant or Subgrant

Inventories will be maintained for assets acquired with funds obtained through federal grant programs. A separate inventory will be maintained for each program. Each inventory will record assets in the same manner as the District's fixed asset inventory.

POLICY

2018

5620

3 of 3

Non-Instructional/Business
Operations

SUBJECT: INVENTORIES AND ACCOUNTING OF FIXED ASSETS (Cont'd.)

Assets will be labeled to specify the source of funds used to purchase the item. All Title I assets will include "Title I" on the label. These inventories will track assets for at least five years from the date of receipt.

When original or replacement assets acquired under a federal grant or subgrant are no longer needed for the original project or for other activities currently or previously supported by a federal agency, the District will dispose of the assets as follows:

- a) Assets 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) Assets with a current per-unit fair market value of greater than \$5,000 may be retained or sold and the awarding agency will 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 assets.
- c) No federal approval is necessary to dispose of an asset costing over \$5,000 but approval from the New York State Education Department (SED) is necessary. Once SED has determined that it has no other need for the use of the asset, the District may proceed with selling it.

School District will comply with the U.S. Department of Education regulations governing the use, management, and disposition of all equipment acquired through a federal government grant.

Equipment Purchased with Extra Classroom Funds

Title to 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 is available for exclusive use by the extra classroom activity club acquiring it.

34 CFR Parts 74-99, 200

SED Finance Pamphlet, The Safeguarding, Accounting, and Auditing of Extra classroom Activity Funds,
2015

Uniform System of Accounts for School Districts (Fiscal Section)

34 Code of Federal Regulations (CFR) 80.32

Uniform System of Accounts for School Districts (Fiscal Section)

Adoption Date 9/28/10

Revised 8/28/18