

ACCOUNTING SYSTEM FOR FIXED ASSETS
(Policy/Guidelines)

The Board of Education shall maintain a fixed-asset, accounting system. The fixed-asset system shall maintain sufficient information to permit the following:

- A. the preparation of year-end financial statements in accordance with generally-accepted, accounting principles
- B. adequate insurance coverage
- C. control and accountability

The Superintendent shall be responsible for the development and maintenance of the fixed-asset accounting system. The Superintendent shall develop procedures to insure compliance with all fixed-asset policies.

Fixed assets are defined as those tangible assets of the District system with a useful life in excess of one year and an initial cost equal to or exceeding \$5,000. Some items may be identified as "controlled" assets that, although they do not meet all fixed-asset criteria, are to be recorded on the fixed-asset system to maintain control.

Fixed asset shall be classified as follows:

- A. land
- B. building
- C. improvements other than building
- D. machinery and equipment
- E. furniture and fixtures
- F. vehicles
- G. plant (aerator)
- H. underground lines
- I. construction-in-progress
- J. computers shall be identified as "controlled" and shall be monitored in the fixed asset management system

Leased fixed assets and assets which are jointly-owned shall be identified and recorded on the fixed-asset system.

Fixed assets shall be recorded at historical cost or, if that amount is not practicably determinable, at estimated historical cost. The method(s) to be used to estimate historical cost shall be established by the Superintendent.

The purchase of fixed assets and the disposal of fixed assets shall be the responsibility of the Superintendent. An asset to be disposed of by sale which has a current value in excess of \$5,000 shall be sold at auction or sealed bid.

Depreciation shall be recorded for fund fixed assets using the method(s) stipulated by the Superintendent.

Accumulated depreciation shall be calculated on a straight line basis and be recorded for general fixed assets.

The following information shall be maintained for all fixed assets:

- A. description
- B. asset classification (land, building, equipment, etc.)
- C. location
- D. purchase price
- E. vendor
- F. date purchased
- G. voucher number
- H. estimated useful life
- I. estimated salvage value
- J. replacement cost
- K. accumulated depreciation
- L. method of acquisition (purchase, trade-in, lease, donated, etc.)
- M. appropriation
- N. manner of asset disposal

REQUEST FOR ASSET DISPOSAL (TRANSFER)

<u>Asset Description</u>	<u>Tag or Other Identification #</u>	<u>To be transferred from</u>		<u>Date</u>	<u>To be transferred to</u>
		<u>Dept.</u>	<u>Location</u>		<u>Location</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Reason for disposal (transfer) _____

Method of disposal _____

Signature of building principal _____

Date of request _____ Approved _____ Disapproved _____

Signature of fixed asset manager _____

Date of disposal (transfer) _____ If sold for scrap, amount received _____

If traded in, tag or identification number of asset acquired _____

Signature of building principal _____