

POLICY

Non-Instructional/
Business Operations

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Adopted 6.29.2015

SUBJECT: INVENTORIES AND ACCOUNTING OF FIXED ASSETS

The Superintendent or his/her designee shall be responsible for maintaining a continuous and accurate inventory of equipment owned by the District in accordance with "The Uniform System of Accounts for School Districts."

All 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 according to the procedures outlined by the Uniform System of Accounts for School Districts and GASB Statement 34 Regulations.

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.

<u>Fixed Assets</u>	<u>Minimum Values</u>	<u>Estimated Useful Life</u>
Land	\$25,000	-
Building	\$50,000	50 years
Building Improvement	\$25,000	25 years
Vehicles	\$10,000	10 years
Equipment (per item)	\$ 5,000	5 years

Continued

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Adopted 6.29.2015

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

Trackable assets shall include IT equipment, audio visual equipment, and instruments that do not meet the minimum value threshold as stated above. Trackable assets shall be tagged and inventoried, however, not included in GASB 34 accounting practices.

Fixed assets acquired having a value equal to or greater than the established threshold listed above 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 Internal Revenue Service (IRS).

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:

- a) Date of acquisition;
- b) Description;
- c) Cost or value;
- d) Location;
- e) Asset type;
- f) Estimated useful life;
- g) Replacement cost;
- h) Current value;
- i) Salvage value;
- j) Date and method of disposition; and
- k) Responsible official.

The School Business Official shall arrange for the annual inventory and appraisal of School District property, equipment and materials. Any discrepancies between an inventory and the District's property records on file should be traced and explained.

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POLICY

Non-Instructional/
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Adopted 6.29.2015

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

Equipment Acquired Under a Federal Government Grant

The School District shall comply with the U.S. Department of Education regulations governing the use, management requirements and disposition of any and all equipment acquired through a federal government grant. These federal Education Department General Administrative Regulations (collectively known or referred to as EDGAR) comprise parts 74 through 99 of Title 34 of the Code of Federal Regulations (CFR).

Disposition. When original or replacement equipment acquired under a grant or subgrant 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 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.
- (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 a grantee or subgrantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or subgrantee 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 no other need for the use of the equipment, sub-grantees are free to proceed with the sale of equipment.

Equipment Purchased with Extraclassroom Funds

Title to all equipment acquired with extraclassroom activity funds shall reside with the District and be carried as an insurable asset on its list of insurable values. Such equipment shall be tagged as District property but is available for exclusive use by the extraclassroom activity club acquiring the item.

34 CFR 80.32

SED Finance Pamphlet #2 The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds 2008
Uniform System of Accounts for School Districts (Fiscal Section)

Adoption Date: 6/29/2015