

The Board of Education directs the Superintendent of Schools to maintain a continuous and accurate inventory of property and equipment owned by the School District, in accordance with "The Uniform System of Accounts for School Districts" and GASB Statement 34 Regulations. Capitalized inventory shall be inventoried and recorded on an annual basis. The Assistant Superintendent for Business 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.

The fixed assets 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 of Education 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 are defined as tangible items of a non-consumable nature where the normal expected life is one (1) year or more. Examples of fixed assets are land, buildings, equipment, fixtures, motor vehicles, audiovisual materials, and computer hardware.

The Board of Education shall establish a dollar threshold for equipment and furnishings as a basis for considering which fixed assets are to be depreciated. Such threshold shall ensure that at least 80 percent of the value of all assets are reported. A standardized depreciation method and averaging convention shall also be established for depreciation calculations.

Fixed assets acquired having a value equal to or greater than the established threshold are considered depreciable assets and shall be inventoried for 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 NY State Comptroller's Office or the Internal Revenue Service.

### **Inventory Records**

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. Disposal of fixed assets which are obsolete or surplus shall be recorded at estimated fair market value at the time of the disposal, or in accordance with generally accepted accounting principles. 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;

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## FIXED ASSET ACCOUNTING

## POLICY 3291

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- e. Asset type;
- f. Estimated useful life;
- g. Replacement cost;
- h. Current value;
- i. Salvage value;
- j. Date and method of disposition; and
- k. Department/individual to whom the asset is assigned.

Items to be included in the record of fixed assets shall include anything valued at more than \$5,000.

Whenever feasible, each piece of property will be tagged or marked with an identification number assigned by the School District.

The Assistant Superintendent for Business shall arrange for the physical inventory and appraisal of School District property, equipment and material every five (5) years, except for those assets funded by Federal Grants which will be inventoried every two (2) years in accordance with 2CTR Section 200.313(d)(2). Any discrepancies between an inventory and the School District's property records on file should be traced and explained.

### **Capitalization of Assets**

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide Financial Statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building& Building Improvements	\$15,000	straight line	50 years
Furniture & Equipment	\$5,000	straight line	5-20 years
Land Improvements	\$15,000	straight line	20 years
Vehicles	\$5,000	straight line	8 years
Lease Items & Subscription based Information Technology arrangements (ex: photo copy machines)	\$5,000	Straight line	

Useful lives will be determined in the year of purchase based on general guidelines obtained from professional organizations and the asset's present condition. The School District will use the straight-line method of depreciation, and depreciation expense will be calculated beginning in the year of acquisition. If the individual unit cost of an item exceeds the dollar valuate capitalization

threshold, the item may be capitalized in their fixed-asset inventory.

#### **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).

Cross-ref:        3100 Fiscal Controls  
                      3120 Fiscal Accounting and Reporting

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