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Section 7.0 -Finances

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TITLE: 7.4 Fixed Assets

STATEMENT OF PURPOSE

In order to provide for the proper control and conservation of Lamoille North Supervisory Union Schools and Superintendent Office property as well as proper accounting for financial reporting purposes, the Superintendent or designee shall maintain fixed asset capitalization and fixed asset inventory.

STATEMENT

Fixed asset capitalization and fixed asset inventory will be accounted by the following categories:

1. Capital Assets - All fixed assets, including real and personal properties, which have a useful life of more than one year and a value equal to or greater than the capitalization threshold of \$5,000.
2. Non-capitalized Assets – All fixed assets, including real and personal properties, which have a useful life of more than one year and a value equal to or greater than \$500 and less than \$5,000

All capitalized and fixed assets shall be inventoried on an annual basis and tracked in the accounting system through the use of a designated object code in the chart of accounts.

Capital assets are depreciated on a systematic basis. Fixed assets are depreciated so as to charge their cost or value over their estimated useful life on a straight-line basis in compliance with GASB, OMB or other regulation. Donated assets are initially recorded at their fair market value at the date of receipt. Estimated useful lives are:

- Furniture and Fittings - 10 years;
- Classroom Equipment – 10 years;
- Electronic Equipment – 7 years;
- Computer Equipment – 5 years;
- Plant and Machinery – 20 years;
- Buildings – 40 Years;
- Grounds Equipment– 15 years;
- Music and Sports Equipment – 7 years;
- Office Equipment – 7 Years;
- Vehicles – 10 Years.

LNSU and District staff have the responsibility of maintaining assets – whether purchased, donated or leased – in an appropriate manner so as to maintain their value throughout their useful life.

Who is Responsible?

Management personnel, i.e. school principals, and department directors, supervisors or managers are accountable for assets/equipment within their immediate area of responsibility. This accountability is inherent to the position. Accountability includes inventory, control, and maintenance of all equipment in their immediate area of responsibility.

Responsibility lies with every individual utilizing district assets/equipment for the performance of his or her duties.

All personnel are responsible to adhere to the following procedures in the procurement, movement, and disposition of all district equipment.

Fixed Assets

Definition: This property is governed by audit requirements associated with control, accounting, and disposal. A fixed asset is defined as property costing \$5,000.00 or more. All computer workstations regardless of price are considered fixed assets.

Acquisition of Fixed Assets

All fixed assets must be purchased using the purchase order system. Object codes relative to fixed assets are 731. Property that is not considered a fixed asset should be coded as 730.

*Do not flag as a fixed asset if under \$5,000 unless it is a computer

All software maintenance should be coded to 340 (purchase technical services). Other software should be coded to 670.

School Activity Fund Purchases

Schools who wish to purchase technology items with School Activity Funds must follow the normal purchasing policies of the district and use a purchase order not a school internal purchase order. The district will pay for the items with district funds and request reimbursement from the School Activity Fund. This procedure is required in order to accurately track fixed assets in compliance with GASB 64.

Donations of Fixed Assets

The site administrator or designee will report fixed assets received by donation (gifts) from organizations or private individuals as follow:

Immediately upon receipt, complete a Fixed Asset Worksheet Form and submit to the Fixed Assets Contact at the LNSU Central Office.

The Fixed Assets Contact will submit a Fixed Asset Worksheet with a tag to the location. The site administrator or designee must affix to the fixed asset immediately upon receipt and before putting into service.

Retain fixed asset worksheet for records.

Receiving Fixed Assets

When a new fixed asset arrives at the location the following steps will be accomplished within five working days.

- A. The site administrator or designee must match packing slip to a copy of appropriate purchase order.
- B. Asset(s) will be opened and verified for quantity and condition.
- C. If the item received is acceptable, sign/initial original invoice and write **OK TO PAY** on the invoice and send to Accounts Payable at Central Office for processing.
- D. A copy of packing slip and Fixed Asset Worksheet form shall be submitted to the Fixed Asset Contact. In return, the Fixed Asset Contact will send a Fixed Asset Identification Barcode to the site user.
- E. Retain a copy of Fixed Asset Identification form at location for files.
- F. The Fixed Asset Contact will reconcile against the appropriate work file record in the financial system and complete data entry for record updating. Once completed the record will be "posted" or "transferred" to the Fixed Asset Master File at least once per year.
- G. The Fixed Assets Contact will submit a Fixed Asset Worksheet with a fixed asset barcode tag to the location. The fixed asset tag should be affixed to the fixed asset immediately upon receipt and before putting into service.
- H. The site administrator shall retain Fixed Asset Worksheet for files.

Identification for items such as vehicles, buses, land, etc. will be kept on file at the central office.

When a fixed asset is sold, or destroyed, the Fixed Asset Worksheet on file at location should be returned to the LNSU Central Office and the box marked **REMOVE** should be checked with a brief explanation.

Adjustments of Fixed Assets

Tracking fixed assets is a priority. We must have current location on file with proper documentation in order to successfully maintain accurate records of all fixed assets. The following procedures must be followed.

Permanent Moves

The following procedures must be used **when moving a fixed asset to a new location at the same worksite (e.g. original room to different room transfer)**

- A. The site administrator or designee must complete a Fixed Assets Tracking Record form.
- B. Submit the original Fixed Assets Tracking Record form to the Fixed Asset Contact.
- C. Retain a copy at the location for records.

Disposal of Fixed Assets & All Other Assets

Site administrators or designees who surplus any item (not just fixed assets) must follow the procedures listed below.

UNREPAIRABLE– Vandalized, Damaged, Malfunctioning, or Excess Fixed Assets

- A. Site administrator or designee must contact the appropriate school personnel (maintenance, technology, etc.) to verify that the fixed asset cannot be repaired or is in excess.
- B. Complete a Fixed Assets Tracking Record form and indicate surplus (code S1 - working) or surplus (code S2 – not working).
- C. A further explanation should be written in the "Explanation of Other Code or Surplus Code" line.
- D. Submit one copy to the Fixed Assets Contact to update the record.
- E. Physically attach one copy to the fixed asset being disposed of.
- F. Retain original copy at site location.

- G. Notify school maintenance personnel to pick up the surplus fixed asset. At such time as determined by the Principal, Facility Director or Business Manager and approved by the Board of Education, a public sale of assets will be conducted.
- H. Responsible administrator must complete a Fixed Assets Surplus Inventory Disposal form and submit to Main Office prior to the sale.
- I. The day of the sale, the Main Office will complete the Fixed Assets Surplus Inventory Disposal form inserting sale price, etc. and submit a copy to the Fixed Assets Contact.

Site location personnel **WILL NOT** dispose of fixed assets. All assets will be returned to the Main Office **ONLY** for proper disposal. Fixed assets will be disposed of in one of the following manners:

- Conduct of a Public sale.
- Donated to another appropriate agency.
- Returned to Grant Agency.

Any property that is disposed of without following proper procedures may violate Board Policy or Grant Management covenants.

Stolen/Missing Fixed Assets and All Other Assets

Administrators or designees who report stolen/missing items (not just fixed assets) must follow the procedures listed below.

Administrators who believe or suspect that a fixed asset is stolen must immediately:

- A. Notify LNSU school officials, including superintendent, finance/business officer and any other appropriate administrators and/or personnel.
- B. Notify proper authorities; file a police report and obtain copy of report so an insurance report can be filed by the business office.
- C. Take appropriate steps to secure area.
- D. Complete the Fixed Assets Tracking Record form, listing item(s) as stolen and attaching copies of all pertinent documents such as police report and any other documents to help establish ownership.
- E. Submit one copy of Fixed Asset Tracking Record form to Fixed Assets Contact.
- F. Retain copy of Fixed Asset Tracking Record form at location for records.

Barcode Procedures

Barcodes should be placed in a readily accessible location for scanning. The following locations are recommended.

Item	Recommended Barcode Placement
Computers, printers, scanners, and basic equipment	Back, as close to serial number as possible
Wood & metal shop equipment	As close to serial number as possible
Laptops, computer projectors	Bottom, as close to serial number as possible
Kitchen equipment	As close to serial number as possible
Land, buildings, vehicles, certain athletic equipment, playground equipment, etc.	Fixed Asset Contact will maintain fixed asset property notebook at central office

Inventory Procedures

Appropriate personnel will accomplish inventories annually on all fixed assets. Results of these inventories will be reconciled, coordinated and reported as required to the LNSU Finance Office for June 30th of each fiscal year.

- A. Annual inventory reports will be distributed. Each responsible individual, i.e. school principals and department managers, will have 30 days to complete their inventory validation. No adjustments to fixed asset records will be accomplished without supporting documentation.
- B. Each responsible individual may conduct their actual reconciliation, as they deem appropriate with their personnel. Any questions and/or assistance required should be directed to LNSU Finance Department.

Points of Contact

Title	Name
Fixed Asset Contact	Rhonda Cook
	851-1166