

### **FIXED ASSET ACCOUNTING POLICY**

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

- A. The preparation of year-end financial statements in accordance with Generally Accepted Accounting Principles (GAAP);
- B. Adequate insurance coverage; and
- C. Control and accountability of all fixed assets of the school district.

#### **Criteria for Fixed Asset Capitalization**

Fixed assets are defined as those tangible assets of the District with a useful life in excess of one (1) year and an initial cost equal to or greater than \$5,000.00. 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 because of their sensitive, portable, and/or theft-prone nature.

#### **Classifications**

Fixed assets shall be classified as follows:

- A. Land;
- B. Buildings;
- C. Improvements other than buildings;
- D. Machinery and equipment;
- E. Furniture and fixtures; and
- F. Vehicles

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

### Valuation

Fixed assets shall be recorded at actual, or if not determinable, estimated purchase price or fair market value at the time of acquisition. The method(s) to be used to estimate such price or market value shall be established by the Treasurer.

Depreciation shall be recorded for funded fixed assets using the method(s) agreed upon by the Superintendent and the Treasurer.

### Fixed Asset Manager

The Superintendent is appointed Fixed Asset Manager and is responsible for preparing any necessary operating standards for the purpose of District compliance with all aspects of this policy. The Treasurer shall record all transactions relating to fixed assets and enter all required information of the asset on the accounting records of the District.

### Transfer of Fixed Assets

The transfer of fixed assets between buildings is to be initialed by the building principals affected. However, no fixed asset shall be physically moved without the approval of the Fixed Asset Manager.

### Disposal of Fixed Assets

The Superintendent, building principals, department heads, or the Operations Director may initiate requests for the disposal of fixed assets. The Superintendent shall determine the manner in which the fixed asset will be disposed of within the parameters of state law.