

DID-AR Fixed Asset Control

LINCOLN COUNTY SCHOOL
DISTRICT

Code: **DID-AR**
Adopted: 8/14/01
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Orig. Code(s): R3830

Fixed Asset Control

Introduction

The need for a Fixed Asset Control Program has been established by the Board. The director of business services and the purchasing coordinator have been charged with the responsibility of developing and administering the program in a manner that provides maximum information to district management and meets all local, state and federal accounting concerns.

The Fixed Asset Control Program is a computerized inventory control program of equipment of all descriptions which provides the following:

1. A complete listing by classification of assets showing up-to-date inventory information and physical location;
2. Original purchase cost or estimated purchase cost, current value and replacement cost.

Purpose

The district has made and continues to make a substantial investment in capital assets, and accountability for the assets is required for the following purposes:

1. To account for the physical existence of each asset acquired and the historical cost of the asset;
2. To identify all assets purchased by U.S. Government and/or grant funds other than district funds and gifts or donated items;
3. To maintain up-to-date information for insurance coverage;
4. To satisfy established audit requirements and concerns

Definition of Fixed Assets

1. Equipment/Furniture
 - a. Is nonexpendable, that is, if the article is damaged or needs repair, it may be cost efficient to repair the article rather than replace.
 - b. Has a useful life expectancy of more than one year.
 - c. Has an individual value of, or in excess of, \$5,000.

Establishment of Fixed Asset Values

Equipment/Furniture

The value of equipment/furniture will be accounted for in three separate categories as listed below:

1. Purchase cost;
2. Current value;
3. Replacement cost.
 - a. Purchase cost will be actual if known; if not known, purchase cost, current value and replacement cost will be determined by an approved appraisal specialist. The appraiser will be selected by the Board.
 - b. Each year after the initial inventory is complete, district personnel, in conjunction with district auditors, will update the inventory to comply with GASB 34 depreciation guidelines.

Identification and Marking Methods

1. Identification

The computerized inventory listing will identify equipment and furniture as follows:

- o Location
- o Description
- o Brand Name
- o Model Number
- o Date Purchased
- o Purchase Cost
- o Current Value
- o Replacement Cost
- o District Check Number (used in making payment)
- o Date and Method of disposition
- o Serial Number
- o Quantity
- o Useful life of item

2. Marking Methods

- a. Identification tags will be affixed to all equipment and furniture with a value in excess of \$5,000 where they can be readily located, but where they will not be subject to damage or interfere with the use of equipment.
- b. A color-coded identification tag will be used for all fixed assets purchased with federal funds.
- c. Where it is not practical to affix an identification tag to an item, the inventory information may be engraved thereon.

Accountability Control

3. The director of business services and warehouse department is responsible for receiving, properly marking, delivering and making the adjustments to school or department inventories.
4. School and department administrators are responsible for assets after delivery is complete and should ensure assets are properly accounted for at all times. Any use of assets other than

district use must be approved by the superintendent or his/her designee.

Inventory Control

1. District-approved equipment transfer/disposal documents must be prepared and forwarded with any item being sent for repair, sent for disposal, being exchanged or transferred to another location. A copy of the document must be maintained by the school or department to use to verify proper adjustments have been made to the inventories concerned.
2. The transportation/warehouse coordinator will maintain copies of documents on all items sent for disposal and as items are disposed of, in a manner as permitted in Board policy, DN - Disposal of District Property, the item will be removed from inventory records.
3. The business services department will send a computer printout of inventories to each school and department once each year.
4. Schools and departments will be required to verify their inventory one time each year.
5. The business services department will spot check school and/or department inventories each year to verify proper accountability and control.