

SUBJECT: ACCOUNTING OF FIXED ASSETS

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.

All fixed assets carrying a minimum value established by the Board that have a useful life of one (1) year or more and physical characteristics which are 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.

The Board shall establish a dollar threshold 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 is reported. However, it is recommended that such threshold shall not be greater than \$5,000. 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 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 NY State Comptroller's Office or the IRS.

Assets shall be recorded initially at 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) Responsible official;

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- f) Estimated useful life;
- g) Date and method of disposition;
- h) Asset type;
- i) Current value;
- j) Replacement cost; and
- k) Salvage value.

The School Business Official shall arrange for the annual inventory and appraisal updates 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.

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).

Equipment Purchased with Extraclassroom Funds

Title to all equipment acquired with extraclassroom activity funds at a value of \$500.00 or greater 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.