

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 replacements costs; and
- d) Provide appropriate insurance coverage.

Fixed assets with a minimum value established by the Board 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 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 New York State Comptroller's Office or the IRS.

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. 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) Asset type;

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- f) Estimated useful life;
- g) Replacement cost;
- h) Current value;
- i) Salvage value;
- j) Date and method of disposition as referenced below; and
- k) Responsible official.

The School Business Official shall arrange for the annual inventory and appraisal of School District property, equipment and material. Any discrepancies between an inventory and the District's property records on file should be traced and explained.

Disposal of District Property

Building administrators and support staff supervisors are responsible for identifying obsolete or surplus equipment and supplies within their area(s) of responsibility. Each year, a determination shall be made of which equipment, supplies and/or materials are obsolete and cannot be salvaged or utilized effectively or economically by the school district.

The School Business Official shall be authorized to dispose of obsolete or surplus equipment and supplies in the following manner:

- 1) Reassign the items, as needed, to other locations within the school district;
- 2) Centralize the storage of items of potential usefulness; and/or
- 3) Discard, loan or sell as surplus those items determined to be of no further use or worthless.

NOTE: Private sale of surplus equipment to a school board member or other school official or employee who is involved in the purchasing function is generally prohibited under the General Municipal Law Article 18.

In addition, school boards have a fiduciary responsibility to obtain the best price possible when selling or disposing of school district property. However, the Board may exercise its judgment and discretion in good faith concerning the method of sale that will bring the best price.

POLICY

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Non-Instructional/Business
Operations

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Following approval by the Board of Education, items may be sold in the following manner:

1. Offer to sell the items to local municipalities or local non-profit organizations; and/or
2. Sell items at a public sale. In the event of a public sale, notice of availability of such equipment, supplies and materials and requests for bids shall be disseminated through
3. announcements in local newspapers and such other appropriate means. The general public, as well as staff members who are not Board members, officers, or involved in the purchasing function, shall be eligible to bid on the equipment, supplies and/or materials; and
4. Sell remaining items as scrap for the best obtainable amount or discard in the safest, least expensive manner.

Ref: General Municipal Law, Section 51; 800 et seq
Ross v. Wilson, 308 N.Y. 2nd 605 (1955)
Matter of Baker, 14 EDR 5 (1974)
Op. St. Compt. 58-120

Adopted: December 16, 2008