

ACCOUNTING SYSTEM FOR FIXED ASSETS

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

- ☒ the preparation of year-end financial statements in accordance with generally-accepted, accounting principles
- ☒ adequate insurance coverage
- ☒ control and accountability

Fixed assets are defined as those tangible assets of the Corporation with a useful life in excess of one (1) year and an initial cost equal to or exceeding the amount determined periodically in the Corporation's administrative guidelines. 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 to maintain control.

Fixed assets shall be classified as follows:

- ☒ land
- ☒ building
- ☒ improvements other than building
- ☒ machinery and equipment
- ☒ furniture and fixtures
- ☒ vehicles
- ☒ plant (aerator)
- ☒ underground lines and other infrastructure
- ☒ construction-in-progress

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

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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 Superintendent.

The School Corporation will capitalize items with an individual value equal to or greater than \$ 2,500.00. Improvements or renovations to existing machinery and equipment will be capitalized only if the change causes the total cost to exceed \$ 2,500.00, extends its useful life two (2) or more years, and if the total costs will be greater than the current book value and less than fair market value.

The Superintendent shall develop ~~administrative~~ guidelines to ensure proper purchase, transfer, and disposal of fixed assets.

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

The following information shall be maintained for all fixed assets:

- A. description
- B. asset classification (land, building, equipment, etc.)
- C. location
- D. purchase price
- E. vendor
- F. date purchased
- G. voucher number
- H. estimated useful life
- I. estimated salvage value
- J. replacement cost
- K. accumulated depreciation
- L. method of acquisition (purchase, trade-in, lease, donated etc.)

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- M. appropriation
- N. manner of asset disposal

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