



Book	Policy Manual
Section	7000 Property
Title	Copy of ACCOUNTING SYSTEM FOR FIXED ASSETS
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7455 - ACCOUNTING SYSTEM FOR FIXED ASSETS

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

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

The Business Manager shall be responsible for the development and maintenance of the fixed-asset accounting system. The Business Manager shall develop procedures to ensure compliance with all fixed-asset policies. Each administrator shall be assigned fixed-asset responsibilities.

Fixed assets are defined as those tangible assets of the District system with a useful life in excess of one (1) year and an initial cost equal to or exceeding \$5,000. 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:

- A. land
- B. building
- C. improvements other than building
- D. machinery and equipment
- E. furniture and fixtures
- F. vehicles
- G. plant (aerator)
- H. underground lines
- I. construction-in-progress

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

Fixed assets shall be recorded at historical cost or, if that amount is not practicably determinable, at estimated historical cost. The method(s) to be used to estimate historical cost shall be established by the Business Manager.

The purchase of fixed assets, the transfer of fixed assets between buildings, and the disposal of fixed assets shall be initiated by the principal and require the prior written approval of the District Administrator. An asset to be disposed of by sale shall be done so in accordance with Policy 7300 - Disposition of Real Property or Policy 7310 - Disposition of Personal Property. ~~which has a current value in excess of \$2,500 shall be sold at auction. An auction shall be held at the discretion of the District Administrator when sufficient assets have accumulated to warrant the cost. The District Administrator shall establish minimum acceptable prices for assets sold at auction.~~

~~Depreciation shall be recorded for fund fixed assets using the method(s) agreed upon by the District Administrator, principals, and Business Manager.~~

In accordance with Generally Accepted Accounting Principles (GAAP), assets must be depreciated over their estimated useful lives and approved by the auditor.

- Accumulated depreciation shall be calculated on a straight line basis and be recorded for general fixed assets. 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.)
- M. appropriation
- N. manner of asset disposal

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