

Fixed Asset Introduction

The Anthony Independent School District's [AISD] utilizes RSCCC's Asset Management Module to record, track, and report on assets which meet the Texas Education Agency's [TEA] capital asset criteria. All fixed assets will be tagged, recorded, tracked and reported by the business office. Examples of fixed assets include but are not limited to: land, buildings, vehicles, and equipment [please refer to the definition of a fixed asset which is listed below]. Having a Fixed Asset System benefits AISD because it:

- Provides AISD with a system to value, track, and report items with significant value for accounting purposes. AISD's System enables us to meet State and Federal Cost Accounting requirements and contributes to our district achieving a good financial rating during our annual audits.
- Includes a process for annual inventory of our assets. If assets are found to be missing or at inappropriate locations, the problem is identified in a timely manner resulting in corrective action.
- Assists in capital budget forecasting for equipment and infrastructure needs, and provides useful information for Risk Management/Insurance purposes.
- Assists AISD in identifying idle surplus property, thereby preventing unneeded purchases.

Definition

AISD defines a fixed asset as an item, tangible in nature, with a per unit value of \$5,000 or greater, and having a useful life in excess of one year. Fixed assets are acquired by purchase, through construction, or donation.

The use of fixed asset is synonymous with the term capital asset.

Acquisition of Fixed Assets

Fixed assets should normally be purchased using a district purchase order. Acquisition of a fixed asset(s) requires coding the acquisition to a specific set of Account Codes which have been designated to identify a fixed asset. See "[Object Codes for Fixed Assets](#)."

- The use of the principal's activity accounts is not recommended for purchases of fixed assets.
- All donations of assets by outside entities must be recorded on a donation form so that the asset may be appropriately recorded. Donated items are recorded at their fair market value at the time of receipt.

Inventory Items

In addition to recording and tracking fixed assets, items having a per unit value between **\$500 and \$4,999.99** are also tagged, recorded and tracked in accordance with AISD's [Physical Inventory Guidelines](#). The AISD recognizes that some items are more susceptible to theft than others.

As such, all cameras, printers, camcorders, televisions and VCR's will be tracked as inventory regardless of cost. Decisions regarding the determination of items that should be considered as inventory rests with the Superintendent and CFO.

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- Items in this value range do not meet the Texas Education Agency's criteria of a fixed asset; however many are of a value that is considered necessary to track and inventory on a periodic basis.
- Purchase of items that qualify as inventory requires coding the purchase to a specific set of Account Codes which have been designated to identify inventory assets. See coding at "[Object Codes for Inventory Items](#)."
- Examples include but are not limited to the following items:
 - Electronic equipment ;
 - Classroom, library, office and shop [food service, grounds, maintenance, technology, and transportation] equipment and furniture;
 - All cameras, printers, camcorders, televisions and VCR's regardless of cost.

Tracking of Fixed Assets and Inventory Items

The district's business office will be responsible for ensuring that all fixed assets are tagged, recorded, tracked and reported by the Impacted Parties listed below through the Assets Management Module in RSCCC. Using a purchase order through the Finance System triggers a response in the business office which initiates the tagging, recording, tracking and reporting function.

The respective principal, director and/or supervisor, and not the business office, is responsible for each school's or department's compliance with the district's Physical Inventory Guidelines [tagging, recording, tracking, reporting and inventorying].

The Tracking process starts when the responsible party initiates an entry to the fixed asset or inventory systems by submitting the completed [Fixed Asset Inventory Record Card](#) for data input into the RSCCC Asset Management System or the district's Physical Inventory System.

Delivery/Receipt of Fixed Assets

The District does not currently operate a central warehouse/receipt location. The District's Requisition System [RSCCC] notifies that the vendor that all goods, including fixed assets, are to be shipped all supplies as follows:

- All Maintenance fixed assets and inventory items purchased shall be delivered to the district's Maintenance Office attention Operations Director.
- All Transportation fixed assets and inventory items purchased shall be delivered to the district's Transportation Office attention Transportation Supervisor.
- All Food Service fixed assets and inventory items purchased shall be delivered to the district's Food Service Office attention Food Service Director.
- All campus related fixed assets and inventory items purchased shall be delivered to the respective campus attention Principal and/or head custodian.
- All capital construction projects will be handled by the business office.
- All technology fixed asset and inventory items purchased shall be delivered to the district's Technology Office attention Network Administrator. Once the asset has been tagged, the Technology Office will process the documents that are required in order to move ownership [and thereby tracking responsibilities] to the respective campus/department.

The conditions listed above apply to all summer holiday and summer session deliveries. As such, principals and department heads must plan appropriately in order to ensure prompt delivery. Also, the responsibility for tagging and tracking follows asset ownership as illustrated above.

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Tagging Fixed Assets and Inventory Items

The business office will be responsible for district-wide TAG control. Tags will be issued, by the business office, and used in sequential order.

All fixed assets will be tagged within three business days of receipt. While the business office is responsible for ensuring that the fixed asset gets tagged, it is the responsibility of the principal, director, supervisor to notify the business office that the fixed asset has been received and that tag(s) is/are needed.

Any item that cannot be tagged, such as a software licenses, buildings or a musical instruments, will be recorded on a **Fixed Asset Inventory Record Card**. The tag will be placed on the card, in a campus/department binder (card will be developed and issued by the business office).

- The campus principle/department manager will manage and maintain this binder and should make available to business, External Auditors and other authorized personnel upon request. These binders will be updated as fixed assets and/or inventory are acquired, disposed or transferred.
- These binders may also be subject to adjustment as physical inventories and the reconciliation process is completed.

Fixed Asset Inventory Record Card

The following information is recorded **Fixed Asset Inventory Record Card** and used as input to the Asset Management Module in RSCCC or district Physical Inventory System.

- AISD inventory tag number
- Acquisition date
- Description
- Account code
- Category
- Accumulated depreciation code
- Vendor/manufacture
- Make and model number
- Serial number
- Location
- Department/organization number
- Purchase order number
- Check number
- Quantity
- Unit cost

Transfer of Fixed Asset or Inventory Item

All fixed assets and inventory items are accounted for by location code. A location code is assigned to each classroom, office, shop area, etc. As such, a [Property Transfer Form](#) must be completed for the transfer of assets (Fixed Asset or Inventory item) from one campus/department to another or from one classroom/office to another. The property transfer protocol must be followed in all cases including temporary transfers. All transfers will be entered into the Fixed Assets or Physical Inventory tracking systems.

1. The school [classroom] or department sending an item from one location code to another should complete the upper left corner of the Property Transfer Form and indicate the description, quantity and AISD Tag Number of the item(s).

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2. The form should then be sent to the receiving school [classroom] or department for the second step in the authorization process. The receiving school [classroom] or department completes the upper right corner of the Property Transfer Form who then forwards the completed form to the business office.
3. The Property Transfer Form must include the site administrator's written signature authorization [both sending and receiving sites].
4. The business office will schedule transfer of the item(s) and distribute copies to the appropriate departments as the transfer is completed.

White Copy: Business Office

Yellow Copy: Receiving School/Department

Gold Copy: Sending School/Department

Use of Fixed Assets or Inventory Items

The use of District fixed assets or inventory items are governed by the following guidelines:

EQUIPMENT OF \$5,000 OR LESS IN VALUE

Equipment owned/leased by the district shall be used only for the accomplishment of school objectives and may not be removed from the assigned premises except for school-related activities and then only with written permission.

An employee may remove district owned/leased equipment for school use or instructional purposes with the approval of his/her immediate principal/director. A custody receipt is to be completed, approved by the principal/director and retained by the principal/director until the property is returned. The principal/director is responsible [overall basis] for the equipment and the employee checking out the equipment becomes responsible for the repair and/or replacement if the checked out equipment is abused, vandalized, or stolen. For electronic equipment, a copy of the custody receipt must be provided to the Technology Department.

Equipment may be loaned to students. In this case, the fixed assets or inventory items would be assigned by location code to a specific class/teacher. The teacher would be responsible for obtaining a completed custody receipt from the student. The same guidelines shall be followed as listed above.

EQUIPMENT IN EXCESS OF \$5,000 IN VALUE

Equipment in excess of \$5,000 can be loaned by approval of the SUPERINTENDENT and CFO with documentation by contract.

SURPLUS PROPERTY

Property no longer needed by a campus/department may be designated as surplus property. On a semi-annual basis [June/December], the CFO will ensure that all principals and directors present a list of surplus property to the Leadership for disposition. The principal/director provides a listing of all items designated as surplus. At the Leadership Team meeting, fixed assets and/or inventory items that still have utility may be picked up by another school/department for use. At the time of transfer, a Property Transfer Forms is executed and assets moved accordingly [corresponding adjustments to the Fixed Asset and Physical Inventory systems follow]. If a need for the property is unknown, it should be transferred to Surplus Property by using a [Property Transfer Form](#).

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Property Disposal

If an item reaches their “end-of-useful-life” [as determined by Superintendent and CFO] the items will be classified as obsolete. The District’s guidelines, in regards to obsolete items, are as follows:

- Whenever an item is deemed to be obsolete, such item may be disposed of during a district advertised surplus sale.
- Items that cannot be sold in their original form, or lose their identity while in the possession of the district, may be sold as scrap, if deemed advisable, at the highest obtainable offer.

The Director of Operations coordinates a public sale disposed property once a year, or more frequently if required, to sell any items that are no longer needed by the district. The business office will handle cash receipts at these sales. The sale will be advertised in the local newspaper and all campuses/departments will be notified. Employees of the district will be permitted to purchase items at the sale on the same basis as all other buyers.

- Fixed Asset or Inventory *items must be removed from the district’s Inventory* prior to disposal.
- Items should never be discarded at the campus/department level. Instead, items should be transferred to the Surplus Property Warehouse where they will then be sold in a Disposal Sale or discarded per instructions from the Director of Purchasing.
- Since there are many contributors to a Disposal Sale, proceeds are *pooled* and are not returned to any particular school/department’s budget.

Removal of Items from Fixed Asset and Physical Inventory systems

The following procedures will be used by Fixed Assets to remove a fixed asset/inventory item from the records:

- When an item is stolen, destroyed by vandalism, etc. the responsible school/department should complete a **Loss Report Form** as the primary documentation. The Loss Report should be sent to the CFO, who will determine if any insurance claim action is required and whether any additional action is required.
- The CFO forwards the report to the business office for removal from the Fixed Asset or Physical Inventory systems.
- Unless an insurance claim is processed, replacement of the lost item is the responsibility school/department.
- If the asset was lost, stolen or destroyed as a result of employee negligence and the item is not subject to an insurance claim then said employee will be held responsible for replacing the item.

Physical Counts – Fixed Assets and Inventory Items

The CFO will coordinate an annual physical inventory of all fixed assets. Principals and Directors will be responsible for the physical counts at their location in accordance with Physical Inventory Guidelines. Physical counts will be executed by location code.

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Physical Inventory Guidelines

All district fixed assets and inventory items will be inventoried on an annual basis. Inventories will be conducted before the end of the school year.

- The employee assigned to each respective location code [classroom/office/shop, etc.] will be responsible for counting the fixed assets and inventory items assigned to their specific location code.
- Once the counts have been performed and documented, a reconciliation [of the assets counted at the end of the year to the assets that should be there as per the Fixed Asset or Physical Inventory system] will be performed.
- If discrepancies are noted, the employee assigned to the respective location code and the site supervisor will provide written the CFO with written documentation/explanation to address the discrepancies that were detected.
- The CFO will provide the Superintendent with the results of the Physical Inventory. Any cases where employees will be held responsible for replacing lost, stolen or damaged assets will be reported to the Superintendent for final clearance [i.e., approval to collect replacement funds or equipment from the employee].
- Missing items will be reported in accordance with established policies and procedures.
- At the beginning of the school year, the employee assigned to each location code will be provided with an asset listing. The employee will have to verify that items listed are physical there. Any missing items will be reported immediately via the **Loss Report Form**.
- During the school year the employee is responsible for safeguarding the asset and for reporting if the item is lost, stolen, or damaged. Failure to report lost assets on a timely basis will be considered negligence.

Inventory of Items valued at less than \$5000

Although it is not required, each schools/departments may choose to track some or all items valued less that \$500, but it is not mandatory. Schools/departments may create their own accounting system for such items in whatever format they desire. The business office will not monitor or audit these records.

Theft or Losses

Upon discovery of Theft/Loss or damage to school district property, the campus/department must notify the CFO (theft/loss) or Maintenance Director (damages to buildings reported via SchoolDude). In the event of a question regarding the notification of law enforcement, the CFO will make the final determination.

A Theft/Loss Report should be completed and forwarded to the CFO for all loss events. If applicable, a copy of the police report should be attached to the loss form. The CFO will be responsible for notifying the insurance carrier and ensuring that the Fixed Assets are updated to reflect the Loss Report.

Most items will be replaced or repaired through regular campus/department funds because they will fall below the district's insurance deductible.

Damaged fixed assets should never be discarded at the campus/department level. These items are transferred to the Technology Department [all electronic equipment] Maintenance Department [all other equipment] using procedures set forth in the Fixed Assets section of the manual. Disposal of unusable items will be handled by the CFO.