

# ST. CLOUD AREA SCHOOL DISTRICT 742

## FIXED ASSET PROGRAM

(Updated 11/23/04)

The district is required to have and maintain a fixed asset inventory. This inventory is required by the Governmental Accounting Standards Board (GASB34) and is used in the preparation of our annual financial reports as well as for property insurance.

The initial inventory was completed in March of 2002. All equipment added, disposed of, or moved between buildings must be recorded properly.

Following is the Fixed Asset Program which has been implemented.

### *I. WHO IS RESPONSIBLE*

- A. Principals and Building Administrators are accountable for assets/equipment within their immediate area of responsibility. Accountability includes inventory, control, and maintenance of all equipment in his/her immediate area of responsibility.
- B. Responsibility lies with every individual that utilizes district assets/equipment for the performance of their duties.
- C. All personnel are responsible to adhere to the following procedures in the procurement, movement, and disposition of all district equipment.

### *II. FIXED ASSETS*

- A. Definition - A fixed asset is a tangible property costing \$5,000.00 or more and has a useful life of more than three (3) years. Exceptions include all equipment known as critical control assets, which include computers, printers, and audio-visual equipment. This property is governed by audit requirements associated with control, accounting, and disposal.
- B. Acquisition of Fixed Assets.
  - 1. All fixed assets will be purchased using the finance system. Orders will be directly shipped to and received at the appropriate building location.
  - 2. Exceptions to the above procedures are those fixed assets received by donation (gifts) from organizations (PTO, PTA, etc.) or private individuals. Donated assets will be reported in writing by the School Principal or Building Administrator to the Purchasing Department as appropriate for identification, tagging, and inclusion on the appropriate inventory. If necessary, a fixed asset tag will be affixed to the property.
- C. Receiving Fixed Assets  
When a fixed asset arrives at a location the following steps are necessary
  - 1. Asset(s) will be opened and verified for correctness and damage.

2. Asset(s) will be received on the Smart Finance System. For each asset that is received, and is not a component to another item, it will be tagged with a self-adhesive bar code label. Only one item per bar code label. Asset(s) are now ready for distribution. Place bar code as close to serial number as possible.
3. An Asset Information Form will be completed for each individual asset that is received and tagged. Once the fixed asset is received and paid on the finance system, Purchasing will input the fixed asset record on the Smart Finance System. The inventory will be updated to include the bar code number as the asset number, description, class code, location code, serial number, make, and model.
4. When property is donated to a location or purchased by an outside organization i.e., PTO, Booster Club, etc., and presented to a school or program, it will be reported by the school principal or building administrator in writing to the Purchasing Department. The correspondence will include the name of the organization/individual making the donation, on an Asset Information Form.

#### D. Adjustment of Fixed Assets

1. Adjustments of all fixed assets will be supported with receipts and signatures providing an audit trail. There will be no deletions, additions, or adjustments without written proof/explanation provided.
2. Transfer of all property will be coordinated with the Purchasing Department. The Asset Information Form will be completed on the transfer of property between locations. Examples of these transfers are:
  - a. Transfer of equipment from building site to surplus for sale or disposal.
  - b. Transfer of equipment from one site to another for extended use.

The paperwork will contain a complete description of each fixed asset being transferred to include fixed asset bar code number, serial number, model number, exiting location and receiving location. Upon completion of the transfer an original copy will be turned in to the Purchasing Department with original signatures for adjustment to property records.

3. Return of property to vendors for exchange or credit must be documented on the Asset Information Forms and then submit the form to the Purchasing Department.
4. Fixed assets will be disposed of in one of the following manners through the Purchasing Department:

- a. Sold at a District approved sale.
  - b. Disposed of properly by custodial staff.
  - c. Donated (requires Business Director approval).
  - d. Returned to Grant Agency.
  - e. Trade-in on new purchase.
5. For proper disposal of a piece of equipment, the Building Principal or Administration must determine the following:
- a. Is the equipment repairable and if so, is it cost effective? If it costs more than 65% of replacement value to repair and the item is more than 2 years old it may not be cost effect to repair. In the event that the item is not repairable, the item may be identified for sale, or for disposal.
  - b. Is the item a grant item such as Title I, Federal Funds, etc.? For fixed assets purchased with grant dollars, appropriate disposition forms must be filed with and approved by the grant agency, prior to disposition. In some cases, the grant agency may have equipment sent back to them for disposal.
6. All property being held for a sale will be transferred to a predetermined site as it is identified. At such a time as determined by the Business Office, a sale of assets will be coordinated and conducted. Upon completion of the sale and final disposition of all assets, a record of the sales and final dispositions will be provided to the Purchasing Department for final adjustment of property needs.
7. Redistribution of assets will be coordinated and accomplished by the Purchasing Department. If an item is identified by a school as excess, it will be transferred to a predetermined surplus inventory location. All equipment listed on surplus inventory is available for redistribution. A copy of the surplus inventory listing is available on the District web site, Staff Info, Purchasing, along with a picture of each item. If a principal/administrator identifies equipment that they need from the listing, a hauling request must be submitted to the District Warehouse requesting that the equipment be delivered to their location. At that time, a transfer form will be used to record the issue and delivery. Upon completion of the delivery, the transfer form will be submitted to the Purchasing Department for transfer of equipment from the surplus inventory listing to the receiving building's inventory. If more than one site requests the same piece of equipment, then the equipment will be issued on a first-come, first-serve basis.

E. Temporary Loan

1. A temporary loan is any equipment assigned to a student or employee of the District for off-site use. All temporary loans must be documented. Principals and Administrators are required to have all personnel under their area of responsibility sign out equipment to provide visibility of district assets. The equipment sign-out form

must include the asset number, description, serial number, personal name, and building location.

2. When equipment is sent off-site for repair, the site should keep a log of the repair shop name and phone number, date sent for repair, and date received back from repair, as well as the asset number, description, and serial number. The log will provide a record of the equipment location.