

ASSET MAINTENANCE PROCEDURE: INVENTORY RECORDS OF FIXED ASSETS

It is the intention of the Mountain Home School District to maintain an accurate listing of all assets purchased and in the possession of the District. This listing will provide an accurate description of the item, its date of purchase, location, and cost for the purpose of insurance coverage, operational replacement, and audit compliance. An asset, as defined by this policy, is those items purchased either singularly or in like groups, having a life of more than two years, and costing in excess of \$1,000.00. Items not meeting the above criteria may be tagged and added to the asset list if they are highly subject to theft or loss. Such items include, but are not limited to, computers, cell phones, radios/walkie-talkies, tools, televisions, and VCR's. Other items may warrant inclusion at the discretion of the superintendent.

The District will take a physical inventory count annually each school year. An asset list will be provided to each location of the assets on record. Any transfer, addition or deletion may be made to this list, signed by the administrator, and returned to the District Office. All asset lists will be approved by the superintendent or designee and forwarded to District staff for maintenance to the list. Transfers between rooms or buildings should be noted as additions to the locations they are in, and as deletions in the locations they come from.

Items that require specific identification are those that are prone to theft or loss. Written identification markings will be placed on these items to facilitate tracking and identification. Other items can be accounted for visually without specific identification. These include items like desks, chairs, and classroom accessories. These items will not have identification markings largely due to the nature of these items, and the possibility the markings would be tampered with by students.

Assets constructed internally will be capitalized if the cost of labor and materials exceeds \$1,000.00, and the life of the item exceeds two years. Repairs will be differentiated from improvements to determine their capitalization status. Repairs will not be capitalized unless the repair significantly extends the life of the asset or significantly improves the asset. An example is a replacement of a leaky gravel roof with another gravel roof. While the replaced roof extends the life of the building, it is replacing one roof with a similar roof and would not be capitalized. Replacing the gravel roof with a pitched asphalt roof would be capitalized as a significant enhancement of what was there before.

The asset capitalization process begins with accurate coding on the purchase order. All items to be capitalized will be coded to 550 in the third series of numbers on the account code (object). A copy of the Purchase Order (PO) will be given to the District staff as a control document. A report will be generated monthly showing the capitalized purchases actually made during the month. This list will be compared to the hard copy of the PO to verify the actual purchase and price of the asset. Freight, renovation, and all associated costs of acquiring the asset and making it functional will be included in its booked cost. The asset will be recorded in the asset database. Annually, this list will be sent to each site for physical verification of the assets.

Assets can be disposed of during the year if their functionality becomes useless. Assets to be discarded need to have the appropriate signatures on an asset disposal form authorizing the disposal. There may be another use for the asset somewhere in the District. The signers on the asset disposal form are also responsible for determining the proper avenue to dispose of the asset and the collection of any cash proceeds from the asset sale.

All technology hardware and software needs to be coordinated through the technology director. This is necessary to standardize on compatible hardware and software throughout the District. The technology director is responsible for maintaining the site licenses, ordering the computer components, maintaining standardization of equipment, transferring assets, and disposing of technology equipment. A computer upgrade will not necessarily need to be capitalized, but modifications to the computer description may need to be changed due to new configuration. Software should be capitalized primarily for tracking the quantity and versions of software used throughout the District. A computer will be considered the CPU, monitor, cables, keyboard, mouse, and internal hardware. Printers, scanners, and software will have separate asset numbers.

Donated assets must be added to the asset listing if the donation meets the criteria stated above. Director of Maintenance or designee must inspect all donations using electrical voltage and the technology director or designee must inspect all computers prior to usage. Letters acknowledging the donation will come from these offices. The District Office will issue letters acknowledging donation of items that are not electrical or technical. Valuation of the donated item will not be made by the District and will be left to the judgement of the donor if they need a value for tax purposes. Notification of any donated assets must be made to the District staff for inclusion to the asset list prior to the use of the asset.

Multiple assets similar in type will be accounted for on a weighted average basis. Desks for example will have one asset number for the quantity and costs of all the desks in the building. Each room will have an asset number showing the desks that are in that room, but no value is assigned. The individual room asset number is for counting purposes only. Any changes in the sum of the room counts will be changed on the master asset number. Any purchases will have the cost and quantity added to the master asset number only and the average cost of the items will be increased with the purchase. Any disposals will be a reduction from the quantity of the master asset number and the cost reduced by the average cost of the items times the number of items disposed.



LEGAL REFERENCE:

Idaho Code Section 33-506(1)

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