

STONE COUNTY SCHOOL DISTRICT

FIXED ASSET INVENTORY HANDBOOK

POLICY DM

LOCAL/STATE/FEDERAL PURCHASES

Revised May 2023

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Accountability of Fixed Assets

Line of Communication

The line of communication for fixed assets is from staff-location fixed asset representative-principal-accounts payable/fads manager. **Please follow the Federal Programs Inventory & Fixed Asset Procedures for specific detailed instructions for all federally funded assets.**

Responsible for Missing Asset

<u>Location</u>	<u>Position</u>
Central Office	Superintendent
School Sites	Principals
Bus Barn	Transportation Director
Maintenance Dept.	Maintenance Director
Cafeterias	Child Nutrition Director
Individual Classroom/Office	Teacher/Office Worker

Protection of the asset from accidental damage, loss, theft, or other physical abuse is the assigned employee's responsibility. In the event of such occurrence, the employee responsible may be held financially liable.

Fixed Asset Management System

Introduction

The purpose of this handbook is to inform of policy and procedure for the maintenance of district fixed assets. Having been approved by the Stone County School District Board of Education, this handbook is a directive to all district employees.

Policy

Inventory of fixed assets will be maintained as set forth by the Mississippi Public Schools District Financial Accounting Manual as prescribed by the MS Office of the State Auditor.

Goal

It is the district's goal to establish and maintain a system that will meet accounting requirements, be useful for the internal control, and management of items.

Fixed Asset Plan

The fixed asset plan is developed and implemented by the business office as approved by the superintendent & board of education.

All qualifying assets will be inventoried, tagged/marked, and accounted for using an approved fixed asset tracking software.

Fixed Assets Defined

Cost Threshold- All school districts are required to have and maintain complete and current lists of each property item. With a life expectancy of at least one year and with a cost to the school district of \$1,000 or more.

Required Inventory Items- The following property items shall be included on the school district inventory regardless of the cost.

Air Compressors

Cellular Phones

Chain Saws

Generators

Lawn Maintenance Equipment

Motorized Vehicles

Two-Way Radio Equipment

Weapons

Welding Machines

Cameras and camera equipment (\$250 or more)

Computers and computer equipment (\$250 or more)

Televisions (\$250 or more)

Printers (\$250 or more)

Inventory Exemptions- For the purposes of these rules, “Property” is defined as all furniture, vehicles, equipment & other personal property. It does not include: carpeting, draperies, installed floor to ceiling partitions, window shades or blinds, water heaters & installed drinking fountains.

Procedures for New Acquisitions

When assets are purchased and an invoice is processed for payment, the business office will ensure that the item is ready for tagging. The inventory decal will be attached to the appropriate fixed asset in a visible place. The inventory number may also be written on the asset with a permanent marker. (All federal purchased equipment must have asset #, funding source, year & location written on asset in black or silver permanent marker.) Once the asset has been tagged, the completed paperwork will be entered into the district’s approved fixed asset software. **Please follow the Federal Programs Inventory Fixed Asset Procedures for specific detailed instructions for all federally funded assets.**

*Inventory decals are blue & silver metallic self-adhesive containing an inventory number and state Stone County Schools.

Receiving Donated Assets

All donated assets (tangible items or cash with a **value of \$500 or more**) must be approved by the school board, and recorded in the board minutes. After board approval and if applicable, an identification tag will be affixed to the asset and it will be entered into the software system record. Only after these actions are completed may the asset be put into service. All donated fixed assets will be priced at fair market value. All computers & related equipment must be approved by the technology director before the donation is accepted.

Transfer of Fixed Assets

When an asset is transferred within the district, the individual moving the asset will complete a **Transfer Request Sheet**. The Transfer Request Sheet should be sent to the building principal/director for approval then forward to the business office. If approvals are needed by the technology and or federal director, this will be done by the business office prior to changes in the system. Copies of the form should be retained by the business office, individual receiving the asset and the individual moving the asset.

Temporary Transfer

If it is a temporary move, the assignee will be responsible for having a **Temporary Transfer of Fixed Asset** completed. The only exception to this is where items are officially checked out/in, such as from the library or grade level chair. **Fixed Asset Check Out/In Log** should be logged at this time. Federal Programs equipment must remain at the school of origin. **Please follow the Federal Programs Inventory and Fixed Asset Procedures for specific detailed instructions for all federally funded assets.**

Disposal of Fixed Assets

When an asset is no longer functional, the assignee must submit the **Request for Disposal of Fixed Asset** to that location's fads representative. If applicable, remove tag and tape to the top of the request form. The **original** paperwork (**only with a tag**) remains with the librarian and a copy is sent to the business office once the principal signs the form. When it has all of the applicable signatures, it will be submitted to the school board for approval. Once approved, a copy will be sent back to the location site's fad representative to have item properly removed. **Please follow the Federal Programs Inventory and Fixed Asset Procedures for specific detailed instructions for all federally funded assets.**

*If assets are declared surplus by the school board, the proper state laws should be followed.

Disposal Codes:

01-Sold	04-Donated	07-Hurricane damage
02-Scrap	05-Other	08-Lightning damage
03-Trade-in	06-Non-capitalized	09-Return to vendor

Lost/Stolen Fixed Assets

When an asset is reported lost, the assignee must submit a notarized **Lost or Stolen Property Affidavit** to the business office after it has been reported to the location fixed asset representative and principal. When an asset is determined stolen, the individual responsible for the missing asset should make sure the authorities are notified and a police/sheriff report is attached to the affidavit form. When all required signatures are obtained, it will be submitted for school board approval. If applicable, the business office will notify the appropriate federal programs director of the status of the lost/stolen item(s).

End of Year Procedures

When closing the fiscal year, please make sure all highly walk-able items are secured in a locked cabinet/drawer or turned into the library for storage. Equipment should not be taken from its assigned location during the summer months, UNLESS it is used to enhance the program/project. Prior approval must be obtained by the building principal/director, technology director and if applicable, the federal programs director. If approved, the **Temporary Transfer of Fixed Asset** must be completed & kept on file at that location. If someone is transferring to another location site in the district OR leaving the district, the Principal is to check all inventory assigned to that teacher and ensure all is accounted for. Federal equipment must remain at the school of origin. **Please follow the Federal Programs Inventory and Fixed Asset Procedures for specific detailed instructions for all federally funded assets.**

Annual Inventory

It is the obligation of district employees entrusted with fixed assets to maintain a current inventory at all times. To enable employees to maintain a current inventory, a detailed listing of all fixed assets will be provided to each location/building/room once a year. A physical inventory audit will be conducted at least once a year by the location fixed asset representative. Documentation of such audit must be signed & dated before sending to the business office NO LATER than April 30th of each year. **Please follow the Federal Programs Inventory and Fixed Asset Procedures for specific detailed instructions for all federally funded assets.**

Depreciation

All fixed assets (except land) over \$5,000 will be depreciated according to the fixed asset software.

Reports

The following reports are generated:

Report of Assets Purchased-monthly after each claim docket

Detailed Listing of all Fixed Assets by Group-yearly

Detailed Listing of all Additions-yearly

Detailed Listing of all Deletions-yearly

Coding for Fixed Assets

There are five codes that are to be used in the completion of fixed asset inventory forms: (1) Location Codes-to identify where the asset is physically located, (2) Building Codes-to identify the building where the asset is located, (3) Room Codes-to identify the room where the asset is located, (4) Classification Codes-to identify the classification of the asset, (5) Property Group Codes-to identify the asset by type; i.e., building, computer, etc.

Location Codes

Central Office	01
Perkinston Elementary	04
Stone Elementary	08
Maintenance Department	09
Transportation Department	10
Stone High	12
Stone Middle	16

Classification Codes

Property

Land

710 Land

Buildings

721 Buildings (Cost or value less than \$50,000)

725 Buildings (Cost or value of \$50,000 and above)

Building Improvements

728 Building Improvements (Cost or value less than \$25,000)

729 Building Improvements (Cost or value of \$25,000 & above)

Furniture and Equipment

731 Computer Equipment (Cost or value less than \$5,000)

733 Computer Equipment (Cost or value \$5,000 and above)

735 Other Furniture & Equip. (Cost or value less than \$5,000)

737 Other Furniture & Equip. (Cost or value of \$5,000 & above)

738 Internet Connectivity Equipment (Cost or value less than \$5,000 and highly walkable) (Examples: routers, switches, modems, hotspots, dial up, broadband, digital subscriber line(dsl), cable, satellite, fiber, etc.)

739 Internet Connectivity Equipment (Cost or value \$5,000 and above) (Examples: same as above)

740 Non-Capitalized Property

Improvements Other Than Buildings

751 Improvements Other Than Buildings (Cost or value less than \$25,000)

753 Improvements Other Than Buildings (Cost or value of \$25,000 and above)

Mobile Equipment

771 Cars and Trucks (Cost or value less than \$ 5,000)

772 Cars and Trucks (Cost or value \$5,000 and above)

773 Buses (Cost or value less than \$ 5,000)

774 Buses (Cost or value \$5,000 and above)

775 Other Mobile Equipment (Cost or value less than \$5,000)

776 Other Mobile Equipment (Cost or value \$5,000 and above)

Property Group Codes

- 111 Land
- 112 Improvements Other than Building
- 201 Buildings
- 201 Construction in Progress
- 203 Building Improvements
- 301 Other Motor Equipment
- 400 Maintenance & Lawn Equipment, Machinery
- 401 Cars and Trucks
- 402 Heaters
- 403 Air Conditioners
- 404 Copiers
- 405 Computers & Comp. Related Equipment
- 406 Typewriters
- 407 Audio Visual Equipment
- 408 Band & Choir Equipment
- 409 Classroom & Office Equipment
- 410 Athletic Equipment
- 411 TV, VCR, Camcorders & Photo Equipment
- 412 Cellular Phones & Radios

- 500 Lease to Own Assets
- 501 Buses and Vans
- 600 Office Furniture & Fixtures
 - 601 Tables
 - 602 Filing Cabinets
 - 609 Other Cafeteria Equipment

In addition to the preceding policies and procedures handbook, the following federal programs inventory and fixed assets procedures should be adhered to.

FEDERAL PROGRAMS INVENTORY & FIXED ASSET PROCEDURES

OVERVIEW

Inventory for items purchased using federal funds is maintained in the district's inventory management system. The system catalogs a description of the item, school location, condition/use, and the Stone County School District fixed asset number. All equipment that is a required inventory item will be tagged with a district fixed asset label. Physical inventory is conducted annually by school fixed asset personnel.

Equipment that is stolen must be reported to the local law enforcement office. The documentation will need to be attached to the district's lost/stolen form to submit to the accounts payable/fads manager. A copy of this documentation must also be provided to the appropriate federal program's bookkeeper for record keeping. Any lost or damaged equipment must be reported on the district's appropriate form and once completed, it should be given to the accounts payable/fads manager. This form will be submitted to the school board and placed upon the minutes.

USE OF EQUIPMENT

Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project/program continues to be supported by the federal award. When no longer needed, the equipment may be used in other activities with the following priority:

1. Projects supported by the Federal awarding agency.
2. Projects funded by other Federal agencies.

When used it may be shared (according to the above priorities) provided such use will not interfere with work on the original projects/programs.

NEW ACQUISITIONS INVENTORY PROCEDURES (not tagged by the district)

The administrator or bookkeeper, who generated the purchase requisition and or quote, will forward the information to the federal program's director. Once approved, the requisition will be entered into the system with the appropriate coding for a purchase order. When signed by the superintendent or business manager, the federal program's bookkeeper will forward it to the requesting location site. Once the order is complete with all items accounted for, a signed receiving report along with a packing slip (if applicable) must be returned to the federal program's bookkeeper. A label will be applied to the asset then the description, school name, date, PO number, model #, serial number and room # are entered into the federal program's fixed asset spreadsheet by the federal program's bookkeeper.

NEW ACQUISITIONS INVENTORY PROCEDURES (tagged by the district)

The administrator or bookkeeper, who generated the purchase requisition and or quote, will forward the information to the federal program's director. Once approved, the requisition will be entered into the system with the appropriate coding for a purchase order. When signed by the superintendent or business manager, the federal program's bookkeeper will forward it to the requesting location site. Once the order is complete with all items accounted for, a signed receiving report along with a packing slip (if applicable) must be returned to the federal program's bookkeeper. An inventory decal will be attached to the appropriate fixed asset in a visible place by the accounts payable/fads manager. All federal purchased equipment must also have asset #, funding source, year & location written on asset in black or silver permanent marker. Once the asset has been tagged, the completed paperwork will be entered into the district's approved fixed asset software.

EQUIPMENT DISTRIBUTION

All of the federally funded tagged or non-tagged purchased equipment will be processed at the district office except for large orders that may be shipped to the assigned location site. At the district office, the federal program's bookkeeper will oversee the process of counting items and labeling for pickup by the tech department. The location principal will be responsible for keeping items secure until in-processing is complete. The federal programs bookkeeper will email the purchasing information that lists out the destination of the assets (classrooms, teachers, etc.) to the technology director. Any variance to the original purchase order must be approved by the federal program director and the technology director.

A reminder that all federally funded purchased items must be used in the program or project for which it was acquired and for the intent specified in the original purchase.

*All equipment will be distributed to its assigned location as soon as feasible.

TRANSFER OF ASSETS

When an asset is transferred within the district, the individual moving the asset will complete a Transfer Request Sheet. The Transfer Request sheet should be sent to the building principal for approval then forward to the business office. If approvals are needed by the technology and or federal director, this will be done by the business office prior to the changes in the system. Copies of the form should be retained by the business office, individual receiving the asset and the individual moving the asset.

The building principal and or federal program director will check to ensure the federally funded equipment is being used according to the appropriate project & remains at the designated location site.

DISPOSAL OF ASSETS

Equipment may be disposed of with no obligation to the federal government, if **ALL** of the following criteria are met:

- 1) Equipment is no longer needed in the current program
- 2) Equipment is not needed in other programs currently or previously funded by a federal agency
- 3) Equipment item has a current per-unit fair market value of less than \$5,000

If the equipment's fair market value is more than \$5,000, the LEA must submit a cover letter with supporting documentation as per the forms provided by the office of federal programs for review and submission to the MS Department of Education.

*Upon approval from the MS Department of Education, the LEA may proceed with the disposition process

DISPOSAL PROCESS

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END OF YEAR PROCEDURES

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ANNUAL INVENTORY

Inventory of all equipment and property belonging to any federal program will be identified once a year no later than April 30th. A random equipment spot-check may be requested each fall by the federal program and/or building-level administrator. Written documentation of the spot-check and inventory will be required to verify the status of federal programs purchased equipment. Materials purchased for use in federal programs will be labeled and be utilized in the capacity for which it was purchased. Any equipment, materials and/or supplies purchased with federal funds are considered solely for the use of that program. All Title I equipment must be assigned to a specific teacher and located during an inventory audit. "Cannot be located" or "missing" are not allowable responses on inventory records. The inventory collection documentation will be signed and dated by the school's fads representative and forwarded to the accounts payable/fads manager for record keeping.

FACILITIES SUPPORTED UNDER FEDERAL PROGRAMS

In order to meet all federal and state guidelines regarding the tracking of equipment purchased with federal funds, procedures have been developed for fixed assets purchased for facilities supported under federal programs in ESSA.

- The Stone County School District maintains titles to and administrative control of all equipment.
- Equipment must have a secure label and marked with LEA name, the program purchased under and year of purchase.
- An accurate equipment inventory must be maintained.
- The SCSD shall ensure that the equipment is placed in the appropriate location to be used as it is intended according to the specific program/project.
- The SCSD must remove equipment if it is no longer needed for the ESSA program purpose or to avoid unauthorized use of the equipment.

Federal Mandates that Address Equipment Requirements:

- Section 80.32 (b) of EDGAR – A state (LEA)... will use, manage and dispose of equipment acquired under a grant by the state in accordance with state laws & procedures.
- Section 443 (a) of the General Education Provisions Act requires each recipient of federal funds, such as an LEA, to keep records, which fully disclose the amount and disposition of the funds, the total costs of the activity for which the funds are used...and such other records as will facilitate an effective financial or programmatic audit.