

**TATE COUNTY SCHOOL DISTRICT
FIXED ASSET REPORTING
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TATE COUNTY SCHOOL DISTRICT FIXED ASSET REPORTING

INTRODUCTION

Fixed assets are those assets of a long-term nature intended to be held or used by the school district. This definition includes mobile equipment, furniture and equipment, land, buildings, improvements other than buildings, construction in progress and leased property under capital leases.

The importance of developing and maintaining a complete and accurate accounting of fixed assets cannot be emphasized too strongly. Tate County School District recognizes a great responsibility for custody of its assets. This protective custody cannot be accomplished without complete and accurate records.

A second reason for developing and maintaining complete and accurate fixed asset records is to allow for accurate financial reporting. The value of fixed assets for school districts is substantial and usually far greater in value than current assets. When records are not adequate, an audit opinion will be *qualified* for fixed assets, which means the auditor does not have enough evidence to offer an opinion. A qualified opinion may result in an accreditation deficiency leading to a probationary status or *loss of state funding*.

Fixed Asset Detail Ledgers are used to record detailed information about various assets and are posted to the Fixed Assets Subsidiary Ledgers. Fixed Asset Detail Ledgers contain a description of the assets, including any identifying markings, cost or estimated fair value at acquisition, the date purchased, location and identifying numbers. *All deletions of fixed assets regardless of method shall be entered in the minutes of the school board.*

The accuracy of the Fixed Asset Detail Ledgers must be maintained at all times. The forms contained in this booklet will provide the information necessary to maintain the accuracy of the district's fixed assets.

Responsibility for the individual fixed asset rests with the individual in whose room the asset is located; e.g., a teacher for equipment located in his classroom. Ultimate responsibility rests with the school principal. One of these individuals will have to account for any and all missing assets or reimburse the district with the cost of that asset.

Any questions concerning the district's fixed asset/inventory procedures should be directed to the district's Business Manager.

District inventory counts will be conducted, at a minimum, annually. These annual inventory counts will be conducted at year-end, after school is out but before the end of the fiscal year. However, throughout the year, the business office may conduct asset verification checks. These annual inventory counts do not include the annual inventory count by the State Auditor's Office.

APPROVED:
EFFECTIVE:

FIXED ASSETS ACCOUNTABILITY

Tate County School District shall establish and maintain a system of accountability for its fixed assets. In order to establish and maintain this system, the following policies and procedures shall be implemented and adhered to by all schools and departments of Tate County School District.

Asset Valuation

All purchased assets will be valued at historical cost (price paid for the asset) or, if the actual historical cost is not available, estimated historical cost. All donated assets will be valued at fair market at the time of donation.

The value of purchased assets shall include not only the price paid for the asset but also any costs required to get the asset in place and in a usable condition. These costs shall include but not be limited to, architect fees, cost of removing old asset, installation costs, etc.

The donor shall provide the fair market value of donated assets at the time of donation, and the value will be spread upon the minutes of the school board.

Capitalization

All assets that meet the following criteria shall be capitalized (coded to appropriate account number, tagged, and added to the district inventory) by Tate County School District.

1. The asset has a useful life of more than one year, and
2. The asset has a historical cost or, if donated, a fair market value of greater than \$1,000 or,
3. The asset is considered "highly walkable."

Exception (or highly walkable) items are those that may have a historical cost or value below \$1000, but, due to the type and nature of the item, asset accountability is required. Highly walkable assets include, but are not limited to, the following:

- | | |
|--|---------------------|
| Weapons | Cellular telephones |
| Cameras & camera equipment (greater than \$250) | Chain saws |
| Two-way radio equipment | Air compressors |
| Televisions (greater than \$250) | Welding machines |
| Lawn maintenance equipment | Generators |
| Computer & computer equipment (greater than \$250) | Motorized vehicles |

The Superintendent or Business Manager may require items in addition to those listed above be included in the highly walkable list.

All assets that meet the requirements for capitalization shall be coded to the appropriate account number. All other items that may be classified as equipment but do not meet the requirements to be capitalized shall be coded to the accounting object code 740.

Depreciation

Any assets that are accounted for in the Proprietary Fund Group shall be subject to depreciation. Such depreciation shall be calculated using the straight-line method. Depreciation reporting shall be subject to GASB 34 guidelines.

Interest Capitalization

The Tate County School District shall not capitalize interest expense on acquired fixed assets unless required by GAAP.

Infrastructure

Infrastructure consists of assets that are immovable and of value only to the school district (e.g., a street not attached to or part of a building). Current GAAP does not require the capitalization of infrastructure. The Tate County School District shall not capitalize infrastructure unless required by GAAP.

Asset Classification

For the purposes of this policy, fixed assets in the Tate County School District shall be classified as follows:

- Land
- Buildings
- Improvements other than Buildings
- Mobile Equipment
- Furniture & Equipment
- Leased Property under Capital Leases
- Construction in Progress

Land shall include all land owned by the Tate County School District but not 16th Section land.

Buildings are defined in general as structures used by the district to house people or property, such as school buildings, administration buildings, athletic field houses, gymnasiums and

portable classrooms. Fixtures permanently attached to the buildings, such as built-in bookshelves, counters and lighting fixtures, are considered part of it. All costs incurred in purchasing or constructing a building to prepare it for operation, including legal fees, will be included in its cost.

Improvements other than Buildings shall include athletic fields, lighting, bleachers and other improvements that cannot be directly associated with a particular building.

Mobile Equipment shall include the following:

- School buses
- Cars
- Trucks
- Vans
- Tractors

Furniture & Equipment shall include all furniture and equipment that is located within the schools and departments of the Tate County School District. It includes all items coded to account numbers 731-737. *Furniture and Equipment* shall not include items that are not “owned” by the Tate County School District. (Personal property should be clearly marked “Property of Jane Doe.”)

Leased Property under Capital Leases will consist of assets under the Lease-Purchase agreement. Title to the asset will transfer to the district at the end of the agreement period. At that time the asset will be transferred from the *Leased Property under Capital Leases* account to the appropriate asset category.

Construction in Progress will be used to account for major construction programs (square footage added) that cannot be, or are not, completed within one fiscal year and are currently under construction. Once completed, the total cost will be moved to the *Buildings* asset category.

Data Elements

Data Elements consist of identifying characteristics that will be recorded for all fixed assets. These elements shall be used to satisfy both internal and external reporting requirements. At a minimum the data elements shall consist of the following:

- Major asset class
- Acquisition date
- Location code
- Identification tag number
- Description, including serial and model numbers
- Acquisition cost

- Funding source
- Check/purchase order numbers

Other elements in addition to the above that may be required by the district's Business Manager shall be included.

Tagging

The Tate County School District shall tag all fixed assets that are capitalized in accordance with this policy. It will not be necessary to tag land and real property. The tag for capitalized fixed assets shall contain a number, a bar code and the inscription "Property of Tate County Schools", or "Property of Tate County School District".

All capitalized fixed assets shall be tagged in accordance with the procedures set forth in this policy and any additional procedures that may be required by the district's Business Manager.

Acquisitions

The school district shall account for all purchased and donated fixed assets by properly marking and recording those assets in accordance with this Policy. These items must also be recorded in the district's inventory records.

It is required that all assets acquired be assigned to a room within the school or department. Assets that are purchased for use in different rooms within the school or in different schools with the district must be assigned to the room where they will ultimately reside after they have been used; e.g., library. These assets shall be "checked out" for use. All asset check-outs shall be documented in written or electronic form.

All assets purchased with federal funds must be marked and recorded in accordance with this Policy. Any additional record keeping requirements of the federal program(s) must still be maintained.

All acquisitions must be recorded on forms prescribed by the district's Business Manager.

Disposals

All disposals of fixed assets shall be made in accordance with Mississippi Code Section 37-7-451, et. seq. These disposals shall be recorded on forms prescribed by the district's Business Manager.

All disposals of assets that have been capitalized shall be removed from the district's accounting and inventory records at the original recorded amounts; i.e., cost or fair market value, if donated. Any proceeds from the sale of that asset shall be placed in the district's District Maintenance fund.

Transfer of Assets

All permanent transfers of assets from one room to another within a school, when the asset being transferred has been assigned to the room being transferred from, or from one school to another, must be noted on forms prescribed by the district's Business Manager. The district's inventory records must be updated to reflect these transfers.

Assets that are not permanently assigned to any one room within a school or to any one school within the district but are used throughout the school or at different schools does not have to comply with the Transfer of Assets requirements of this Policy when the transfer from one room to another or one school to another is only temporary.

Other Adjustments

Any other asset adjustments shall be made on forms prescribed by the district's Business Manager and approved by the school board before the accounting records are updated.

Physical Inventories

Physical inventories shall be taken, at a minimum, on an annual basis. Physical inventories shall be performed in accordance with procedures developed by the district's Business Manager.

Write-offs and other adjustments to the fixed asset accounting records brought about as a result of the physical inventory audit must be approved by the school board.

Responsibility for Assets

The ultimate responsibility for district assets shall rest with the principal of the school or the director of the department where the asset is located. In addition, teachers, librarians, etc. shall be responsible for assets in their rooms. Assets that have been checked out for use shall be the responsibility of the person who has checked out the asset.

As part of the annual physical inventory audit, the principal, department director, or teacher who is responsible for district assets will be required to attest to the inventory listing and any changes thereto.

The district shall be reimbursed for any assets that are missing from inventory and have not been disposed of in accordance with this Policy or that do not have an accompanying police report. The reimbursement shall be made by the person responsible for the asset. The amount of reimbursement shall be at the asset's recorded amount or an amount to be determined by the Superintendent and approved by the school board.

Required Reports

At a minimum, the following reports for its fixed assets shall be prepared by the Tate County School District:

Summary of Fixed Assets:

This report is a fixed asset summary by major fixed asset classification that includes a summary of additions and deletions by major fixed asset classification. This report shall be prepared on monthly basis.

Fixed Assets Additions:

This report includes a detailed listing of additions by major fixed asset classification. This report shall be prepared on a monthly basis.

Fixed Asset Deletions:

This report includes a detailed listing of deletions by major fixed asset classification. This report shall be prepared on a monthly basis.

Detailed Listing of Fixed Assets:

This report is a detailed listing of all fixed assets by major fixed asset classification. This report shall be prepared on an annual basis.

Updating Records and Other Items

The district's accounting and inventory records shall be updated for additions, deletions, transfers and all other adjustments in a timely manner; i.e., daily or weekly.

The district's Business Manager will be responsible for developing procedures to insure that all fixed assets are marked and recorded in accordance with the Policy.

The Business Manager is also authorized to withhold funds from any school or department that fails to comply with this Policy or the procedures established by the Business Manager.

LEGAL REF.: Mississippi Public School District Financial Accounting Manual issued by the State Auditor's Office

Mississippi Code, as cited above

TATE COUNTY SCHOOL DISTRICT FIXED ASSET REPORTING

FORM INSTRUCTIONS

ASSET FORM A – ASSET REPORTING FORM

This is used to record asset information based on asset purchases. This form is maintained in the business office and is completed by Business Manager based upon information provided by a purchase order.

Once a purchase order is paid, the *Asset Reporting Form* is completed. The two copies are sent with an inventory tag attached to the school/department, where the asset is tagged and the Asset Form A is completed and returned to the district's business office for input into the district's inventory system. A third copy remains in the district office.

When completing this form, **building code and room code** must be included on the *Location* line. The inventory record cannot be updated without this information.

The copy included here is for reference.

ASSET FORM B – ASSET TRANSFER REPORTING FORM

This form is used to record **permanent** transfers of assets from room to room, building to building, or school to school. When an asset is to be **permanently** transferred, the sending site (room, building or school) completes the top portion of the form. The form is then sent with the asset to the receiving site (room, building or school). The receiving site verifies receipt of the asset, completes the form and forwards it to the district's business office. If the transfer is within the same school, the school principal will sign both the sending and receiving portions.

ASSET FORM C – ASSET DISPOSAL REPORTING FORM

Section 37-7-451. et. seq., Mississippi Code (1972) and Policy FA, provides procedures for disposal of district assets. When a school/department determines that an asset is no longer useful or it is in such condition that it is not repairable, the school/department completes Asset Form C and submits it to the district's business office **before the item is discarded**. This will insure proper documentation is available for the board to make an informed action regarding fixed assets. Once board approved, the item is disposed in accordance with State law and board policy.

ASSET FORM D – ASSET DONATION/OTHER ACQUISITION REPORTING FORM

This form is used to report and record assets, other than money, acquired by donation or means other than purchase. When an asset, other than money, is acquired by donation or means other than purchase, this form is completed and submitted to the district's business office. It is then placed on the board agenda and accepted by the board. Once accepted, a copy of the completed form and an inventory tag is returned to the school/department, and the district's inventory records are updated. **Donations of money are not reported on this form. Money donations should be reported on the district's Donation /Contribution Reporting Form.**

ASSET FORM E – LOST OR STOLEN PROPERTY AFFIDAVIT

This form is used as a written statement notarized by a notary public detailing the loss of equipment. All losses by theft, robbery or other mysterious disappearance must be reported to the local law enforcement office. Police/sheriff reports shall be attached to this form. Lost property shall be reported to the Business Manager, who shall be provided a *notarized affidavit* (Asset Form E) signed by the responsible party assigned the property. Disposition of stolen or lost property shall be recorded on the board minutes.

ASSET FORM F – FIXED ASSETS CHECK-OUT FORM

This form is used to record **temporary** assignments/check-outs of fixed assets; e.g., an overhead projector that is checked out by a teacher for classroom use. **Permanent** transfers of assets must be reported on Asset Form B.

This form is maintained on site and shall be available for audit. The person who is assigned the asset (e.g., a librarian) should complete the top portion of the form. Information about the individual who is checking out the asset should be entered in the table portion of the form. One form can be used for multiple equipment check-outs. However, a separate form should be prepared for each responsible person (e.g., a librarian). A new form should be used each time fixed assets are temporarily assigned to another district employee.

Asset Form A

**TATE COUNTY SCHOOL DISTRICT
ASSET REPORTING FORM**

(Please return to Business Manager with all information completed.)

ASSET NUMBER _____

LOCATION _____

BUILDING _____

ROOM _____

CLASSIFICATION _____

GROUP _____

PO NUMBER _____

PO ISSUED TO _____

CHECK NO. _____ CLAIM NO. _____

DESCRIPTION _____

VENDOR _____

COST _____ DATE _____

MANUFACTURER _____

MODEL _____

SERIAL NO. _____

ACCOUNT CODE _____

**TO BE COMPLETED AND RETURNED TO BUSINESS OFFICE
BY _____**

Asset Form B

**TATE COUNTY SCHOOL DISTRICT
ASSET TRANSFER REPORTING FORM**

This form is to be used for *permanent* asset transfers only. *Temporary transfers or assignments* should be reported on the Assignment/Check-out of Fixed Assets Form.

This form must follow the asset to the Receiving Site. After completion at the Receiving Site, it must be sent immediately to the district's Business Office.

SENDING SITE (Room, Building, or School)

ASSET DESCRIPTION: _____

TRANSFER OUT -- Date: _____ **Asset Tag #:** _____

Transferred from:

SCHOOL/SCHOOL #: _____

BUILDING #: _____

ROOM #: _____

Signature – Employee (1) **Date**

Signature – Principal/Director (2) **Date**

RECEIVING SITE (Room, Building, or School)

TRANSFER IN – Date: _____ **Asset Tag #:** _____

Transferred to:

SCHOOL/SCHOOL #: _____

BUILDING#: _____

ROOM #: _____

Signature – Employee (3) **Date**

Signature – Principal/Director (4) **Date**

FIXED ASSETS OFFICE USE ONLY

Posted by: _____ **Date:** _____

- (1) Employee Responsible for Asset (*Sending Site*)
- (2) Principal/Director of School/Dept Sending Asset
- (3) Employee Responsible for Asset (*Receiving Site*)
- (4) Principal/Director of School/Dept Receiving Asset

Asset Form C

TATE COUNTY SCHOOL DISTRICT
ASSET DISPOSAL REPORTING FORM

All asset disposals must be made in accordance with Section 37-7-451, et. seq., Mississippi Code.

To be completed by School/Department

ASSET TAG #: _____ SERIAL #: _____

ASSET DESCRIPTION: _____

SCHOOL/SCHOOL #: _____ BLDG #: _____

ROOM #: _____

Reason for Requesting Disposal: _____

(If lost, stolen, or other disappearance, attach Lost or Stolen Property Affidavit. In case of theft, robbery, or mysterious disappearance, attach a copy of Police/Sheriff report.)

Signature – Employee (1) _____ Date _____

Signature – Principal/Director _____ Date _____

Submit form to Business Office after Completion

To be completed by Business Office

DATE APPROVED BY BOARD: _____ DATE DISPOSED: _____

Method of Disposal (Check one):

Sold Amount Received from Sale: \$ _____ Rec #: _____

Junked

Scrapped

Ofc of Surplus Property

Lost

Stolen

Other Disposal (*Explain*): _____

Acquisition Date of Asset: _____ Asset Cost: _____

Asset record updated by: _____ Date: _____

Signature – Business Manager _____ Date _____

(1) Signature of employee responsible for the asset (teacher, librarian, etc.)

Asset Form E

**TATE COUNTY SCHOOL DISTRICT
LOST OR STOLEN PROPERTY AFFIDAVIT**

**Tate County School District
107 Court Street
Senatobia, Mississippi 38668**

Location of Property:

Date of Report: _____

School/School #: _____

Bldg #: _____

Room #: _____

<u>Description</u>	<u>Asset #</u>	<u>Police/Sheriff Report #</u>	<u>Date Purchased</u>	<u>Cost or Value</u>
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Detailed explanation of loss: In case of theft, robbery, or mysterious disappearance, show the name of the local law enforcement office notified and the date loss was discovered. If such loss was not reported to a local law enforcement office at the time of discovery, give a complete explanation of such failure. Attach copies of police reports, if applicable.

WE HEREBY STATE UNDER OATH THAT THE ABOVE FACTS ARE TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE.

Board President _____

Date _____

Principal/Director _____

Date _____

Emp Responsible for Asset _____

Date _____

THIS DATE PERSONALLY APPEARED BEFORE ME, the undersigned authority, in and for _____ County, in the State of Mississippi, the above named individuals, who, being first duly sworn, state on their oaths that the above facts are true and correct to the best of their knowledge.

GIVEN UNDER MY HAND AND OFFICIAL SEAL, this the _____ day of _____, 2_____.

Notary Public

**TATE COUNTY SCHOOL DISTRICT
FIXED ASSET CHECK-OUT FORM**

This is to verify the property listed below has been checked out of its assigned location and will be at the address listed below. The person checking out this property assumes all responsibility for said property until it is returned to the Tate County School District.

<u>Description of property</u>	<u>Serial #</u>	<u>Asset Tag #</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Check-out Date: _____

Printed Name of Person Receiving Property

Signature

Street Address

City, State, Zip Code

Phone #

Signature of Authorizing Employee

Return Date: _____

Signature of Employee Returning Property