



## SECTION V: BUSINESS AND TECHNOLOGY POLICY 5010

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### Fixed Assets

#### Fixed Assets

##### General

The School is required to establish a fixed asset accounting system that will contain sufficient data to permit:

- The preparation of fiscal year-end financial statements in accordance with OCAS guidelines
- Adequate insurance coverage
- Control, accountability and security

##### Criteria for Fixed Asset Capitalization

- The asset has a useful life of one (1) year or more
- The cost of the asset is greater than \$5,000

##### Valuation

Fixed assets are to be valued at purchase cost.

Donated fixed assets shall be valued at the donor's estimated fair market value at the time of gifting.

##### Depreciation

Assets will be depreciated using straight-line depreciation. Estimated life for fixed assets shall follow IRS guidelines.

##### Classification

Fixed assets shall be classified as follows:

- Furniture - 7 years
- Equipment - 7 years
- Software – Amortized 3-5 years
- Structures and improvements – 15 years
- Land – Unlimited useful life
- Improvements other than buildings – 15 years

##### Information

The following information shall be maintained for all fixed assets:

- Description
- Asset classification
- Location
- Purchase price
- Vendor
- Date purchased or leased
- Accumulated depreciation
- Method and reason of disposal, if applicable

### Fixed Asset Disposal

Any asset with a fair market value greater than or equal to \$5,000 must be approved by the board prior to retirement. Approval is required by the Ops Manager / Department Head and Head of School for assets purchased with a fair market value of less than \$5,000, prior to retirement. The Fixed Asset Inventory will then be updated to include reason for retirement and date of write-off.

Examples of reasons for retirement:

- Asset is damaged beyond repair.
- Asset is damaged and the cost to repair it exceeds the current fair market value.
- Asset is not able to support current technology needs.

Any impairment to Fixed Assets needs to be communicated to the Regional Technology Manager and/or HOS immediately in order to assess the impairment.

Fixed assets that are deemed obsolete or beyond repair should be communicated to the SS Accountant prior to disposal.

### Physical Controls

An annual inventory must be performed. Physical inventory must be performed for all capitalized items, as well as, all computers that do not meet the capitalization threshold.

- The inventory is performed to determine that all assets are present, in usable condition, located in the assigned area, and accurately recorded on the fixed asset or inventory records.
- Upon completion, the Ops Manager / Department Head must review and approve the results. Review includes a comparison of physical inventory to accounting records and fixed asset schedule.
- Any discrepancies must be communicated to the Head of School

Computer and software asset list must be submitted to the Regional Technology Manager for maintenance of IT equipment inventory to ensure continued supportability, license compliance and information security.

All fixed assets are tagged with a School fixed asset tag.

### Tracking and Reconciliation

A fixed assets schedule is to be maintained by the Ops Manager / Department Head according to the Fixed Asset Policy.

The fixed asset schedule must be updated monthly to include new purchases, retirements or transfers of assets.

The Ops Manager / Department Head must also reconcile the fixed asset schedule to the accounting records and submit to K12 Shared Services for review and confirmation.

### **Physical Assets Purchased with Restricted Funds**

All items purchased with restricted funds need to be tracked and inventoried by the school. The information must be maintained in a secure environment (i.e. system or network) with restricted access.

All items (assets and inventory) purchased with restricted funds need to be tagged with an asset tag, tracked for physical location and inventoried annually.

- The tag must read "Purchased with XYZ funds for ISOK".
- Any item (asset or inventory) assigned to a student or teacher also needs to be tagged, tracked for physical location and inventoried annually
- An annual inventory must be performed. The physical inventory must be performed for all restricted fund purchase to catalog for restricted fund audit purposes

Physical assets purchased with restricted funds meeting the following criteria must also follow the fixed asset policy in the previous section in addition to the criteria laid out above.

### Tracking and Reconciliation

- A restricted fund fixed asset schedule must be maintained by the SPED /Ops Manager / Department Head.
- The restricted fund schedule must be updated monthly to include new purchases, retirements and/or transfers of assets.
- The SPED/Ops Manager / Department Head must also reconcile the restricted fund schedule to the accounting records as part of the month-end financial reporting process