

SERIES 600 – FISCAL MANAGEMENT

Fiscal Accounting and Reporting – 680

Accounting System for Fixed Assets (683)

The Board of Education shall maintain a fixed-asset accounting system. The fixed asset system shall maintain sufficient information to permit the following:

- The preparation of year-end financial statements in accordance with generally accepted accounting principles.
- Adequate insurance coverage.
- Control and accountability

The district fiscal office shall be responsible for the development and maintenance of fixed-asset accounting system. The District Administrator shall develop procedures to ensure compliance with all fixed-asset policies.

Fixed assets are defined as those tangible assets owned by the District with a useful life in excess of one (1) year and an initial cost equal to or exceeding \$5,000. Some of the items may be identified as “controlled” assets that, although they do not meet the fixed-asset criteria, are to be recorded on the fixed-asset system to maintain control.

Fixed assets shall be classified as follows:

1. Land
2. Building
3. Improvements other the building
4. Machinery and equipment
5. Construction in progress

Leased fixed assets and assets which are jointly-owned shall be identified and recorded on the fixed-asset system.

Fixed assets shall be recorded at historical cost or, if that amount is not practicably determinable, at the estimated historical cost. The method(s) to be used to estimate historical cost shall be established by the District Administrator.

The purchase of fixed assets shall be initiated by the District Administrator and require approval of the Norwalk-Ontario-Wilton Board of Education. The disposal of fixed assets shall be determined by the District Administrator. The District Administrator cannot personally obtain any of the District’s fixed assets without prior school board approval or purchase of the item at a public auction. Disposal of any fixed asset or group of assets over \$100,000 will require an auction approved by the Norwalk-Ontario-Wilton Board of Education.

Depreciation shall be recorded for fund fixed assets using method(s) agreed upon the the District Administrator. Accumulated depreciation shall be calculated on a straight line basis and be recorded for general fund fixed assets.

School Board Policy 683 Continued: Accounting System for Fixed Assets

The following information shall be maintained for all fixed assets:

1. Description
2. Asset classification (land, building, equipment, etc....)
3. Location
4. Purchase Price
5. Vendor
6. Date purchased
7. Voucher number
8. Estimated useful life
9. Estimated salvage value
10. Replacement cost
11. Accumulated depreciation
12. Method of acquisition
13. Appropriation
14. Manner of asset disposal

This policy shall be retroactive to July 1, 2013.

Cross Reference: School Board Policy 672
 School Board Policy 674

Adopted: September 15, 2014