

PROPOSED POLICY

CAPITALIZATION THRESHOLD

The capitalization threshold for purposes of classifying capital assets shall be \$5,000.

~~FIXED ASSET MANAGEMENT SYSTEM~~

~~The Superintendent or designee shall be responsible for the Districtwide fixed asset system to account for District property. The District will conduct an annual accurate physical inventory of all property of significant value [see CONTROLLED ASSET VALUES, below]. Site administrators shall be required to conduct the annual physical count of all such property in their area or site of responsibility and to properly enter and maintain appropriate records.~~

~~The fixed asset guidelines for the District shall:~~

- ~~1. Comply with generally accepted accounting principles and accountability guidelines provided by the Governmental Standards Board, the Texas Education Agency's Financial Accountability System Resource Guide, and the Comptroller's State Property Accounting System;~~
- ~~2. Comply with federal regulations pertaining to grant application requirements;~~
- ~~3. Provide for an accounting, tracking, and management system that provides a complete record of each asset from acquisition through disposal;~~
- ~~4. Require preparation of an annual financial report that provides a more complete picture of the financial condition of the District;~~
- ~~5. Assign direct responsibility for custody and proper use of specific fixed assets to site administrators;~~
- ~~6. Require the safeguarding of assets through periodic physical inventory;~~
- ~~7. Provide for the development of data to support risk-management related to fixed assets; and~~
- ~~8. Provide a basis for improved management decisions regarding maintenance programs and requirements.~~

~~FIXED ASSET INVENTORY OFFICER~~

~~The authorized designee from the Property Control Management Services Department shall serve as the fixed asset inventory officer for the District. The designee shall:~~

- ~~1. Write procedures and guidelines for appropriate management and control of inventory; and~~

~~2. Ensure that all fixed asset inventory transactions are recorded and maintained according to approved procedures.~~

~~RESPONSIBILITIES~~

~~All District staff members, regardless of classification or function, shall exercise the utmost care and diligence in the use, maintenance, and protection of all public assets placed under their care and/or custody. District schools and departments shall have specific roles and responsibilities for direct fixed asset custody, record-keeping, and regular reporting, as outlined in the Property Control Management Fixed Assets Procedure Manual, and shall be accountable for their timely execution and compliance.~~

~~The Property Control Management Services Department shall perform the mandatory training and will work to maintain ongoing communication and assistance to each site. The Property Control Management Services Department will also coordinate with the Financial Services Department to maintain current and accurate information. However, each site administrator shall assume ultimate responsibility for the fixed assets at that site.~~

~~CONTROLLED ASSET
VALUES~~

~~The fixed asset inventory will include all equipment with a unit value of \$500 or more, and all theft sensitive equipment regardless of cost, including assets that are tangible; movable; and that are reasonably identified and controlled through physical inventory.~~

~~Theft sensitive items will change as educational needs and technology evolves. Current theft sensitive equipment includes:~~

- ~~• Guns and rifles;~~
- ~~• Fax machines;~~
- ~~• Digital cameras and camcorders;~~
- ~~• Video/audio recorders and players (DVD, CD, iPods, MP3, TV, VCR, and the like);~~
- ~~• Palm pilots, iPads, and other tablets;~~
- ~~• Computers;~~
- ~~• Printers;~~
- ~~• Digital projectors and document cameras;~~
- ~~• Flatbed scanners; and~~
- ~~• Other equipment determined by the District.~~

~~The inventory of capitalized fixed assets shall include those whose cost equals or exceeds \$5,000. Significant value and depreciation~~

~~are defined by the Texas Education Agency and the Financial Accountability System Resource Guide.~~

~~FIXED ASSET FORMS~~

~~The Property Control Management Services Department will keep asset tag information on all forms relating to District equipment.~~

~~Accurate fixed asset inventories shall include:~~

- ~~1. A listing of fixed asset inventories by funding source, description, and location;~~
- ~~2. Information regarding new acquisitions;~~
- ~~3. Adjustment to previously recorded items;~~
- ~~4. Transfer of assets from one department or area to another; and~~
- ~~5. Retirement or disposition of fixed assets.~~

~~TAGGING AND
TRACKING
INVENTORY~~

~~Delivery of all purchases shall be made to the District warehouse for tagging and providing appropriate identification marks. All assets are District property and are not exempt from the requirement of delivery to the District's warehouse. Appropriate bar code tags shall be used to identify District property according to the procedures manual. The tag numbers shall be placed on the property by Property Control Management Services personnel as items are received. Fixed asset coding shall be detailed in the procedures manual.~~

~~Site administrators must receive prior approval from the Property Control Management Services Department when an alternate location for delivery is necessary such as for an order that is too large or the installation of the asset requires direct delivery. When approval has been granted for items to be delivered directly to the site, the site administrator is responsible for contacting the Property Control Management Services Department to have the item tagged and entered into the asset system.~~

~~All assets removed from a site shall require proper documentation and approval and shall be recorded in the Fixed Asset Management system. Only the site administrator shall be authorized to provide approval via signature. By releasing District property for at-home use, the site administrator shares responsibility for the protection of the asset from loss or damage. In the event the asset is lost, damaged, or stolen, the student/parent/guardian, or employee, who checked out the assets shall be liable to the District for the cost of having the assets replaced or repaired. Should such loss occur, a copy of the Police Services incident report form shall be sent to the Property Control Management Services Department.~~

~~PHYSICAL INVENTORY~~

~~Sites have primary custody and accountability for equipment and assets used in their operation. Therefore, a complete physical inventory of all capital and controlled assets will be conducted, and the results will be reconciled with the asset records every school year.~~

~~Under the guidance and coordination of the Property Control Management Services Department, sites will facilitate the maintenance of current and accurate asset records by assisting with the physical inventories. Should reconciliation of the asset counts and fixed asset system records reveal discrepancies, it will be the responsibility of the site administrator or designee to investigate the circumstances and determine the cause and party responsible. In cases where assets were lost, destroyed, or stolen through illegal actions, gross negligence, or clear violations of District policy, a police report will be filed and sent to the chief business officer for required action. The chief business officer may also determine that instances of destroyed or missing assets warrant additional review by the Internal Audit staff. Audit inventories will be conducted randomly by the Property Control Management Services Department.~~

~~Delegation of responsibilities and duties may be necessary to accurately complete the physical inventory process within the scheduled time. However, such delegation does not remove the site administrator's responsibility for proper accounting of the assets under his or her care. Administrators new to a site must verify the accuracy of the site's current inventory within ten days of beginning duty at the new site. The fixed asset group will assist in the inventory upon request. Failure to comply shall not constitute a waiver of responsibility for losses.~~

~~PENALTIES~~

~~Penalties assessed to administrators for inventory shortages, improper disposition of assets, or poor asset control records and procedures may include:~~

- ~~1. Formal reprimand through the performance evaluation process and a letter of reprimand in the personnel folder;~~
- ~~2. Criminal prosecution;~~
- ~~3. Employment termination; and~~
- ~~4. Other penalties, as deemed appropriate by the Superintendent.~~