

Section: D Fiscal Management
Policy Code: DM Fixed Assets Policy

FIXED ASSETS

The Canton Public School District has implemented a fixed asset system of accountability that complies with the standards established by the Mississippi Office of the State Auditor for the verification of fixed assets and the auditing of fixed assets records.

DEFINITION OF FIXED ASSET

Any equipment purchased with a useful life of more than one year is considered a fixed asset. There are two categories of equipment: inventoried and non-inventoried equipment.

DEFINITION OF EQUIPMENT

Inventoried equipment consists of all fixed assets that have a purchased value of \$1,000.00 or more and items determined by the district as highly walkable items regardless of value. These items should be coded to "731-799" object code. (Examples of capitalized equipment include: computers, televisions, lawn maintenance equipment, etc.)

Non-inventoried equipment consists of fixed assets with a value of less than \$1,000.00 excluding highly walkable items. These items should be coded to a "740" object code. (Examples of non-inventoried equipment include: tables, desks, chairs, etc.). Although all equipment is not required to be inventoried, the expectations for the safeguarding, care and use of non-inventoried equipment remains the same.

Federal equipment – The Education Department General Administrative Regulations (EDGAR) allows the district to use its own definition of equipment as long as the definition is inclusive of equipment defined by federal guidelines. The district will comply with federal guidelines regarding the management and disposal of equipment purchased with federal dollars.

DONATED EQUIPMENT

Property or equipment that is donated to the school district having a value of \$1,000 or more as well as items considered highly walkable are included in the district's fixed asset records. If the value of the donation is unknown, the items are valued at their fair market value at the time of the donation. The acceptance of donated equipment must first be Board approved.

CAPITALIZATION

All assets that meet the following criteria shall be capitalized (coded appropriately, tagged and added to the district's inventory):

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 more, or
3. The asset is considered highly "walkable"

Highly walkable items are those that may have a historical cost or value below "\$1,000, but because of the type and nature of the asset (i.e., more prone to theft) fixed asset accountability is required. A list of highly walkable assets that require fixed asset accountability is included as an exhibit to this policy.

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 value 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 are not limited to architectural fees, cost of removing the old asset, installation costs, etc.

ASSET CLASSIFICATION

For the purpose of this policy, fixed assets of the district shall be classified as follows:

- Land
- Buildings
- Improvements Other Than Buildings
- Mobile Equipment
- Furniture and Equipment
- Leased Property Under Capital Leases
- Construction in Progress

Land shall include all land owned by the district. 16th Section land is not owned, but managed by the district.

Buildings are defined in general as structures used by the district to house people or property such as school buildings, administrative buildings, athletic field houses, gymnasiums and portable classrooms. Fixtures permanently attached to the buildings such as built-in bookshelves, counters and lighting are considered part of the building. All costs incurred in purchasing or constructing a building to prepare it for operation, including legal fees, will be included in its cost.

Building Improvements are capital purchases that materially extend the useful life of a building and/or increase the value of a building. Building improvements are capitalized and recorded as an addition of value to the existing building if the expenditure meets the capitalization threshold. These include major roof replacements, complete central heat/air units and major wiring/cable systems.

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

Leased Property Under Capital Leases will consist of assets under a lease-purchase agreement. Title to the assets will transfer to the district at the end of the agreement period. At that time the asset will be transferred from leased property account to the appropriate account.

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 elements shall consist of the following:

- Major asset class
- Acquisition date
- Location code
- Identifying tag number
- Description, including serial and model numbers
- Acquisition cost
- Funding source
- Check/purchase order numbers
- Condition

Other elements in addition to the above may be required by the district's Finance Department.

DEPRECIATION

Any assets that are accounted for in the Proprietary Fund Group shall be subject to depreciation in accordance with Generally Accepted Accounting Principles (GAAP). Depreciation is the process of allocating a portion of the historical cost to each year of an asset's useful life. The straight-line method is used for depreciation of assets. The straight-line method is calculated by allocating the historical cost less the residual or salvage value of the asset over the useful life in equal annual portions.

CAPITALIZATION THRESHOLDS FOR DEPRECIATION:

Land	0
Buildings	\$50,000
Building Improvements	\$25,000
Improvements Other Than Buildings	\$25,000
Mobile Equipment	\$ 5,000
Furniture and Equipment	\$ 5,000
Leased Property Under Capital Leases	(*)
Construction in Progress	0
(*) Follows the threshold of the related capital asset	

USEFUL LIVES

Buildings	40 years*
(*15 years for relocatable buildings)	
Building Improvements	20 years
Improvements Other Than Buildings	20 years
Mobile Equipment	
Cars and Trucks	5 years
Buses and Vans	10 years
Heavy Outdoor Equipment	7 years
Furniture and Equipment	
Computer Equipment	3 years
Other Furniture and Equipment	7 years
Leased Property Under Capital Leases	(*)
(*) Follows the useful life of the related capital asset	

Note: A full year's depreciation expense should be taken for all purchases and sales of capital assets during the fiscal year.

SALVAGE VALUES:

Buildings	20% of cost
Building Improvements	20% of cost
Improvements Other Than Buildings	20% of cost
Mobile Equipment	10% of cost
Furniture and Equipment	1% of cost
Leased Property Under Capital Leases	(*)
(*) Follows the salvage value of the related capital asset	

INTEREST CAPITALIZATION

The 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 district shall not capitalize infrastructure unless required by GAAP.

ASSIGNMENT OF INVENTORY NUMBERS

All inventoried equipment should be assigned a Canton Public School inventory number and placed on the district's fixed asset inventory listing.

Upon issuance of purchase orders with an object code ranging from 731 to 776 (excluding object 740); the Purchasing Clerk will attach an inventory asset record form to the goldenrod copy of the purchase order. Immediately upon receipt of the goods, the inventory addition form should be completed and submitted to the Fixed Asset Clerk. A separate form should be completed for each item of equipment.

The district shall account for all purchased and donated fixed assets by properly marking and recording those assets. The asset will then be assigned an inventory number and properly tagged within a reasonable period of time. The person receiving the item of equipment will sign and date the asset record form, thereby acknowledging receipt of the item and assuming responsibility of the same.

It is required that all assets acquired be assigned to a room within a school or department. Assets that are purchased for use in different rooms within the school or different schools within 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.

PROPERTY INVENTORY OF COMPUTER EQUIPMENT

Computers are sold as complete units: a CPU, a monitor, and a keyboard. The CPU is the main unit; therefore the model and serial numbers from the CPU is recorded. The monitor is given the same inventory number as the CPU. External devices such as the keyboard, modem, mouse and other light pen devices whose costs are under \$1,000 do not require an inventory number. If the monitor or keyboard is replaced, they should be coded as either a supply or repair part. The inventory number of the CPU will be placed on the replacement parts. If the CPU is replaced, it will be coded to "731" and would require a new inventory number. The old CPU would be tagged for disposal and removed from inventory upon Board approval. The monitor would require the new inventory number.

INVENTORY CONTROL

At the beginning of the school year or date of employment, each employee will be provided a list of all items assigned to their room that reflects the last reconciled inventory for that location. Changes will be made if necessary, and a final copy will be submitted to the employee for verification. By completing this form, the employee is accepting financial responsibility for the equipment. Upon separation from the district, the principal/director should ensure that all equipment is accounted for or a claim is asserted against the employee for any missing items.

The Fixed Asset Clerk will conduct a physical inventory at least annually. However, an inventory may be conducted at other times in addition to the annual inventory.

TRANSFER OF EQUIPMENT

Equipment should be accounted for at all times. The principal/director or his/her appointee should complete a request to relocate/transfer assets and submit it to the Fixed Asset Clerk for updating in the system. Under no circumstance should equipment be permanently transferred from one place to another without the approval of the principal/director.

DETERMINING FEASIBILITY FOR A REPAIR

Repair of smaller items (i.e. TV, VCR, etc.) - If the cost of repair does not exceed half the value of the item, then it is feasible to repair rather than replace.

Repair of larger items (i.e. Copiers) - Prior approval is required. A written detailed estimate of cost to repair must be submitted for district approval.

DISPOSAL OF ASSETS

All disposals of fixed assets shall be made in accordance with Mississippi Code Section 37-7-451, et seq. Any equipment determined to be obsolete, beyond repair, or too costly for repair should be properly disposed of. The principal/director or an appointee should complete an equipment disposal request and return it to the Fixed Asset Clerk. Disposal of fixed assets must be authorized by the school board. ~~After receipt of the disposal form, the equipment will be inspected and tagged.~~

Once Board approval is granted, the Fixed Asset Clerk will send written notice regarding equipment disposal. 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 assets shall become revenue of the district.

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 procedures, 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 (in consideration of the asset condition).

LOST OR STOLEN OR ASSETS

Lost property should be reported to the Fixed Asset Clerk and must be accompanied by a notarized affidavit signed by the responsible party assigned the property. Disposition of the lost property shall be reported on the Board minutes.

Stolen property should be immediately reported to local law enforcement. Disposition of stolen property shall be reported on the Board minutes.

If equipment is reported stolen or missing, the principal/director should contact the police immediately and file a report. A copy of the police report should be forwarded to the Business Office along with an affidavit in order to complete final resolution of the equipment.

REQUIRED REPORTS

At a minimum, the district's accounting system is capable of producing the following reports on a monthly basis:

- Summary of fixed assets
- Fixed asset additions
- Fixed asset disposals
- Detailed listing of fixed assets

MAINTAINING THE SYSTEM

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 Finance Department will be responsible for developing procedures to ensure that all fixed assets are marked and recorded according to this policy.

The Finance Department is also authorized to withhold budgeted funds from any school or department that fails to comply with this policy or established procedures.

SOURCE : Canton Public School District
Canton, Mississippi

DATE : January 12, 2016

LEGAL REF.: Miss Code Section 37-17-6; 37-7-451

Exhibits:
Form DM-1 Highly Walkable Items

Canton Public School District iPad Cart Procedures

1. iPad Carts may only be checked out as a complete unit (Elem. – 27, MS – 30)
2. Please use the Google Calendar to check for available dates. If the cart is available, contact the librarian by email to let her know which date you are requesting. Be sure to reserve carts as early as possible. Please do not attempt to reserve a cart on the day you need it. It is highly unlikely that the request will be honored.
3. Pick up the iPad Cart from the library at the time designated by the building administrator on the morning that it is reserved.
 - a. Only teachers may pick up and return carts.
 - b. iPad Carts must be locked at all times.
4. Count the number of iPads in the cart. Make sure each iPad has a charger and a cover. If there is anything missing, please let the librarian know prior to leaving the library. Once you leave the library, you are responsible for any missing pieces and/or parts.
5. Use the provided sign-out sheet when distributing iPads to students. Assign each student a number and give that student the same number each time.
 - a. Check out iPads one at a time.
 - b. Make sure students walk back to desks holding iPads with both hands. (They are very expensive.)
 - c. If you need to leave the room at any time, make sure all iPads are in the cart and locked up.
6. Do not leave the cart unattended in your classroom. If you must leave the room, please make sure you lock the iPads in the cart and lock your door.
7. Do not move the cart while it is plugged into the wall. Forgetting this and moving the cart before it is unplugged may cause damage to the electrical cord.
8. When returning iPads to the cart, please make sure that all iPads are plugged in completely.
9. Do not allow students to add or delete apps.
10. Report any problems or malfunctions to the librarian immediately.

Please read the following rules with your students the first time they use the iPads.

1. Respect the technology that you are being allowed to use. Each iPad is valued at almost \$500.
2. Stay on task and only use the iPads as directed by your teacher.
3. Do not add or delete apps.
4. No Food, drink, or dirty hands.
5. Do not rub the screen or try to clean the screen. It only makes it worse.
6. The iPad should stay stationary. Don't walk around the room holding it.
7. If pictures or videos need to be taken, keep iPad hovering over desk.
8. No saving of documents to the iPads. If photos are taken with an iPad, they are automatically saved and become the sole property of Canton Public School District. Any other material to be saved must be sent through email.
9. Misuse of iPads in any way will result in loss of iPad privileges. This includes, but is not limited to, using the iPads for non-school purposes, defacing or damaging property in any way (scratches, dents, removing cases or cables, etc).
10. When returning iPads to the cart, please ensure that all iPads are plugged in all the way.

Canton Public School District iPad Cart Student Sign-Out Sheet

(Please use a different sheet for each class.)

Teacher _____ Date _____

Class Period _____

Student Name	iPad #	Comment
	1	
	2	
	3	
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**CANTON PUBLIC SCHOOL DISTRICT
HIGHLY WALKABLE ITEMS**

Apple TVs (with connection devices)
Air Compressors
Audio Equipment (greater than or equal to \$250)
Band Instruments (Trumpet, Drum, Etc.)
Camera and Camera Equipment (greater than or equal to \$250)
Cellular Telephones
Chain Saws
Computer and Computer Equipment (greater than or equal to \$250)
Generators
Kitchen Appliances (greater than or equal to \$250)
Lawn Maintenance Equipment
Motorized Vehicles
Printer and Print Equipment (greater than or equal to \$250)
Projectors (greater than or equal to \$250)
Televisions (greater than or equal to \$250)
Tools (greater than or equal to \$250)
Walkie Talkies (Two way radio equipment)
Weapons
Welding Machines

By completing the information at the bottom I am attesting to the receipt of the procedures for securing iPads and the fixed assets policy, understand the procedures and policy and will adhere to both.

Printed Name _____

Position _____ **Location** _____

Signature _____ **Date** _____