

GANADO INDEPENDENT SCHOOL DISTRICT

PROCEDURES: Fixed Asset Tracking

Goal:

An up-to-date inventory of all equipment, vehicles, and buildings with a unit value greater than \$5,000 shall be maintained for audit purposes. In addition, an up-to-date inventory of all equipment with a unit value between \$1,000 and \$5,000 shall be maintained for insurance purposes by the business department. An inventory of other small equipment shall be tracked by the respective campus or department.

There are several types of asset as noted below that may be acquired through purchase, construction or a donation (gift):

- Land
- Buildings
- Improvements, other than buildings
- Vehicles
- Machinery
- Infrastructure
- Furniture
- Equipment

At the present time, the district does not have any intangible assets such as trademarks, copyrights, royalty interests, right-of-way easements, or internally generated computer software.

Fixed Asset Functions:

- ☐ The Administrative Support Secretary shall maintain an up-to-date database of all fixed assets and inventory items.
- ☐ The database shall include the following information, at a minimum:
 - ☐ A description of the equipment
 - ☐ Serial number or other ID
 - ☐ Funding source
 - ☐ Who holds title
 - ☐ Original acquisition date
 - ☐ Original cost
 - ☐ Percent of federal participation
 - ☐ Location
 - ☐ Use and condition
 - ☐ Disposition date
- ☐ Upon receipt of a Fixed Asset/Inventory Transfer form, the Administrative Support Secretary shall post the change to the database and file the form for audit purposes.
 - ☐ All items transferred to the Warehouse as surplus or salvage shall be tracked on the database.

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- ☐ A list of all salvage items shall be submitted to the Superintendent for approval prior to a public sale or auction. The signed list shall be maintained for audit purposes.
- ☐ All items sold via a public sale, auction, or disposal shall be removed from the fixed assets database.

Changes to Assets

The total assets and their value may change throughout the fiscal year. Assets will be recorded at the purchase cost (total cost required to place asset in use, less any credits) or donated value at the time of acquisition.

Maintenance costs are not recorded as assets; however, all additions and betterments to existing assets shall be capitalized at cost when acquired and/or constructed, as applicable. Damages to assets should be recorded to reflect the difference between the cost of replacement or restoration and the insurance or other contributions received as reimbursement. If there is a complete loss of an asset, the old asset should be written off by a debit to the investment and a credit to the appropriate capital asset account.

Other changes to assets may occur due to disposal or assets as noted below.

Fixed Asset Transfer Form

A Fixed Asset/Inventory transfer form is required whenever equipment is moved from one location to another. This shall include one classroom to another, one campus to another, or from a location to the warehouse.

No equipment shall be stored at a facility other than the warehouse, except for a specific project such as the Computer Re-Invest project.

Asset Transfer Procedures:

- Campus or department completes the form to move equipment
- If the equipment to be moved is technology or audio visual related, the Director of Technology should approve the transfer before processing the transfer form
- Forms should be submitted to the Administrative Support Secretary for review.
 - If the equipment is audio visual or technology, the form should be routed to the Director of Technology for his approval. After the Director of Technology's approval, the form should be routed to the Technology Technician for movement of the equipment as approved.
 - If the equipment is moving within the campuses, the form should be routed to the Custodial Supervisor for movement of the equipment.
 - If the equipment is moving to the warehouse, the form should be routed to the Maintenance Coordinator for his approval. The Maintenance Coordinator shall coordinate the movement of the equipment as approved.
- After the items have been moved the appropriate individual shall submit the completed form to the Administrative Support Secretary.

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- The Administrative Support Secretary will input all transfers on the Asset Management system (TxEIS).
- The Administrative Support Secretary will identify items stored in the district warehouse as either “surplus” or “storage”. Items labeled surplus are consider surplus or obsolete with are earmarked for disposal at some time in the future. Items labeled as storage are consider items that would be used by a campus or district in the future – the storage of these items would be temporary until transferred to a permanent location.

Monthly Reconciliation:

- ☐ **Fixed (Capital) Assets (C) shall be defined as:** All equipment with a unit cost over \$5000 (account codes 663X) should be tagged, posted in the Fixed Asset System and posted to the general ledger (Fund 902). These items are defined as fixed assets for audit purposes. These assets are also tracked on a spreadsheet for the purpose of calculating the annual depreciation expense.
- ☐ **Inventory (I) shall be defined as:** All equipment with a unit cost over \$1,000 should be tagged and posted in the Fixed Asset System for inventory purposes.
- ☐ **Other small equipment shall be defined as:** All equipment defined as “personal use items” such as laptops, I-Pad, digital cameras, calculators, etc. with a unit cost between \$500 and \$1,000 shall be tracked by the respective campus or department.
 - ☐ **The campuses and media center have opted to use the Library Automation software (Follett) to track and issue the small equipment to students and/or staff.**
 - ☐ **The technology, maintenance, food service, custodial and transportation departments shall track their respective small equipment such as tools, small equipment, etc.**
- ☐ All inventory and fixed asset items shall be tagged by the Administrative Support Secretary upon receipt before delivery to the campus or department.
- ☐ A capital outlay report shall be generated at the end of each month by the Finance/Payroll Coordinator and provided to the Administrative Support Secretary for reconciliation of the assets database.
 - ☐ Donated assets shall be recorded on a **Donation Form** and forwarded to the Administrative Support Secretary for tagging and recording purposes.
- ☐ All items on the capital outlay report shall be reconciled with the new inventory and fixed asset items tagged during the month.
 - ☐ The total 663X expenditures should be added to the fixed asset system and general ledger.
 - ☐ The total 664X expenditures should be added to the inventory system.
- ☐ The Administrative Support Secretary shall prepare all Application for Vehicle, Title, and License Plate forms for all new vehicles purchased by the district. The forms shall be submitted to the Director of Operations for approval and signature of all forms. [The Application for Vehicle Registration, Titles, and License Plate procedures shall be followed in securing the documents.]

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- ☐ The Operations Director shall submit the forms to the Bexar County Tax Office for processing.
- ☐ The Chief Financial Officer shall notify the auto insurance carrier of the new vehicles.
- ☐ All construction expenditures should be recorded on a spreadsheet by project.
 - ☐ The total 662X expenditures should be added to the fixed asset system and general ledger (Fund 902).
- ☐ All inventory and fixed asset transfer forms received from campuses and departments shall be entered in the fixed asset system upon receipt.
- ☐ All inventory or fixed asset items purchased with federal grants should be tagged and the appropriate federal grant code indicated on the item.
- ☐ The disposal of assets via surplus sales, stolen, or lost assets shall be recorded in the fixed asset system.
- ☐ The inventory and fixed asset schedules maintained in the fixed asset system should be used to purchase property and casualty insurance.

The **Monthly Asset Account Workflow** is included in the Appendix section.

Accounting for Assets:

- ☐ All capital assets shall be recorded on the general ledger under fund code 902.
- ☐ **Examples of Accounting Entries** for assets are included in the Appendix section.

Annual Reconciliation:

- ☐ Annually, by April 1st, a list [sorted by room #] of all inventory and fixed asset items should be sent to each campus and department for reconciliation purposes.
- ☐ The reconciliation process should be complete by May 1st, and all changes posted on the fixed asset system soon thereafter.
- ☐ All discrepancies and/or missing items should be compiled in a summary report and forwarded to the appropriate campus and/or department administrators.
- ☐ The staff members (teachers) should not be released for the summer until all missing items have been accounted for.
- ☐ A list of all fixed capital assets (over \$5000 unit cost) should be prepared by September 15th for audit purposes.
 - ☐ Assets (Buildings, Equipment and Vehicles)

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- ☐ All assets shall be posted to the finance general ledger via JV to the appropriate object code (Buildings 1520, Equipment – 1530 and Vehicles 1531).
- ☐ The date of the final payment shall be used to determine the acquisition date. If the asset was on hand less than the full fiscal year, the depreciation shall be pro-rated over the appropriate number of months.
- ☐ The useful life of assets shall be:
 - ☐ Buildings – range between 5 and 30 years depending upon whether the asset is a new building, improvement or upgrade to building systems.
 - ☐ Equipment – range between 5 and 10 years depending on the type and cost of the asset.
 - ☐ Vehicles - range between 5 and 10 years depending on the type and cost of the vehicle.
- ☐ The assets shall be posted to the Fixed Assets Excel spreadsheet to properly depreciate the assets.
- ☐ Construction in Progress:
 - ☐ The list should include all “construction in-progress” through August 31st, including accounts payables and retainage.
 - ☐ Construction in Progress (CIP) is defined as an asset that is not completed (such as a building or other construction project) as of the end of the FY (August 31st)
 - ☐ The CIP shall include all payments to the vendor(s), including retainage, as of the end of the FY.
 - ☐ The CIP shall be posted via a JV to the finance general ledger to object code 1530 in fund 902.
 - ☐ Subsequently, when the project is completed and the final payment made, the asset shall be posted to the appropriate asset object code.
- ☐ The lists should be reconciled with the general ledger and submitted to the Chief Financial Officer for review and approval of all JV adjustments to assets and CIP.
- ☐ The fixed asset depreciation schedules and spreadsheet should be prepared by September 15th and submitted to the Chief Financial Officer for audit purposes.
- ☐ Throughout the fiscal year and at the end of the fiscal year, the Chief Financial Officer shall determine if any impairments of assets have occurred. If so, the Chief Financial Officer shall prepare documentation to support any changes in assets.

Fixed Asset Disposal:

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- ☐ On at least an annual basis, or more frequently as the need arises, the Director of Operations shall prepare and submit a list of “surplus” assets that are recommended for disposal. The list shall indicate if the recommended disposal method such as: trash, sale via online auction, onsite garage sale, sealed bids, etc.
 - ☐ After obtaining the Superintendent’s approval, the Director of Operations shall begin the process to dispose of all assets approved for disposal via the approved method(s).
- ☐ All efforts shall be made to obtain the best return value to Lackland ISD and consideration will be made to responsible protection of our environment.
- ☐ Lackland ISD identification will be removed from assets as part of the sale process. Any assets that might contain data or any association with Lackland ISD will be cleared or disposed of in a manner that ensures the data is destroyed (example: hard drives will not be sold and/or cleaned to prevent any possible data recovery).
- ☐ The follow 3 steps are typical methods of disposal. [Exception for federally funded assets below]
 - ☐ Garage type sale. Generally standard items will have a sale price established on the disposal list that will serve as the garage sale price. Other unique items will have a starting minimum price as established on the disposal list, but will be sold on a silent auction basis.
 - Two types of items will be identified – standard and unique.
 - Preset prices will be established for “standard” item as shown on the approved disposal list. A few items will be marked as “unique” and will be sold using a silent bid format with the last and highest bid being the sales price as long as it exceeds the minimum value.
 - The unique items sale price will be the last highest price as reflected on the item bid sheet at the close of the sales day.
 - A public sale shall be conducted on one date during the posted times
 - All prices on standard items, as posted on the disposal list, will be in effect until 1 hour prior to the close of the sale at which time the prices may be reduced by 50%.
 - Unsold items that are suitable for sale shall be retained in storage for the next surplus sale.
 - ☐ Recycling. Items that are not sold during the garage sale will be disposed through recycling if possible.
 - ☐ Trash – Items that are not disposed of through recycling will be considered trash and disposed of as trash.
- ☐ All surplus sales shall be advertised via email, the district website and/or the Talespinner, as appropriate.
- ☐ All items disposed of shall be removed from the database system by the Administrative Support Secretary.

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- ☐ The Administrative Support Secretary shall reconcile and deposit all monies collected at the surplus sale.
- ☐ All surplus revenue shall be deposited to a miscellaneous revenue account in the General Fund (199), with the exception of surplus revenue from the sale of Food Service equipment which shall be deposited to the Food Service Fund (240).

Note. **The Life and Death of an Asset** is illustrated in the Appendix. The workflow is helpful in tracking an asset from the time a purchase is initiated to the time that the asset is disposed of and recorded in the district's database and general ledger, as appropriate.

Use of Federally Funded Assets:

The management of assets purchased with federal grant funds (whether 100% or partially), shall be in accordance with 2 CFR Part 200 – Property Standards (excerpt included in the Appendix section).

- ☐ All federally funded equipment shall be used, as long as needed, for the original grant project, whether or not the project continues to be federally funded.
- ☐ Assets shall be made available for other projects as long as the use does not interfere with the project under which it was originally acquired (it may be appropriate to split or share the costs of the equipment with other fund sources so that each program bears its fair share).
- ☐ When no longer needed for the original grant project, equipment may be used in other federally supported activities (if purchased with state funds, would be used in another state program).

Use of Federally Funded Assets – During COVID-19 Pandemic:

In accordance with the USDE Fact Sheet for Repurposing Federal Equipment and Supplies to Combat COVID-10 (April 29, 2020), the District may temporarily repurpose federally purchased equipment and supplies that are not currently in use to carry out a USDE grant program to meet the general education needs of students, including students with disabilities and English learners, and the instructional needs of teachers, related service providers, and other educational personnel during the national emergency caused by COVID-19.

A request to temporarily repurpose federally purchased equipment and supplies under this provision shall be submitted to the grant manager overseeing the USDE federal program that holds the title to the equipment and/or supplies. Upon approval of the request, a record shall be created to track the use of the equipment and/or supplies to include the following:

- (1) a description and itemization of the type of equipment or supplies being temporarily repurposed.
- (2) the source (Federal program(s) funds involved) from which the temporarily repurposed equipment or supplies were purchased and the amount of Federal funds used for the purchase.
- (3) where the equipment or supplies are assigned for use during the duration of the COVID-19 national emergency.
- (4) the date on which the equipment or non-consumed supplies are returned for Federal program purposes.

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At the end of the temporary repurpose of the equipment and/or supplies, or the end of the COVID-19 national emergency, whichever comes first, the equipment and supplies shall be returned to the USDE federal program that holds title to the equipment and supplies. If the equipment or supplies are damaged, lost or otherwise not usable by the original program, the District shall replace the items with non-federal funds to ensure continued benefit to the original program.

The record of the temporary repurposed items must be retained for a period of three (3) years.

Disposal of Federally Funded Assets:

- ☐ When equipment is no longer needed for the original project or another federally funded project, Ganado ISD shall dispose of the equipment in the following manner:
 - Equipment with current fair market value of *less than \$5,000* may be retained, sold, or otherwise disposed of with no further obligations to TEA.
 - Equipment with current fair market value of *\$5,000 or more* may be retained or sold but TEA shall have right to the proceeds.
- ☐ TEA reserves the right to transfer title to another grantee for noncompliance or as needed after the project ends (regardless of how equipment is classified).
- ☐ At the conclusion of a local grant project, TEA may request a list of equipment purchased with grant funds. The grantee must request disposition instructions from TEA. For most TEA discretionary grants, if a local project is ending and the grantee no longer needs equipment purchased with grant funds, and if the equipment is relatively up-to-date and in good working order, TEA, at its discretion, may instruct the grantee to transfer the equipment to another viable grantee.
- ☐ Disposal of all federally funded assets shall be tracked in the fixed assets database, including a disposition date and method for audit purposes.