

No. _____



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC First Reading of CFB (LOCAL) Accounting Inventories

SUBMITTED BY: Mike Garza **OF:** Support Services

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: October 15, 2008

RECOMMENDATION:

It is recommended that the Board of Trustees approve First Reading of CFB (LOCAL) Accounting Inventories

RATIONALE:

BUDGETARY INFORMATION

BOARD POLICY REFERENCE AND COMPLIANCE:

ACCOUNTING INVENTORIES

FIXED ASSET POLICY OBJECTIVES

The fixed asset policy of the District is established to safeguard the assets of the district by establishing perpetual inventory records, and affixing inventory numbers to furniture and equipment. In the event that any policy statement contained herein conflicts with that required by TEA *Financial Accountability System Resource Guide* (FASRG), as amended, or applicable federal regulations, the FASRG and/or federal regulations shall be followed.

The fixed asset policy of the District shall be to:

1. Comply with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB) and as required by TEA *Financial Accountability System Resource Guide*.
2. Maintain appropriated stewardship of the location and value of fixed assets.

FIXED ASSETS DEFINED

For purposes of the District's financial statement, fixed assets shall be accounted for at cost, or if the cost cannot be practicably determined, at estimated cost. Donated fixed assets shall be recorded at their estimated fair value at the time received. Student Activity purchases of fixed assets shall be accounted for at cost.

Fixed assets shall include, land, buildings, improvements, ~~furniture~~ furniture and equipment, and vehicles that:

1. Are not consumed as a result of use.

Have a useful life of at least one year and have for Capital Assets a per-unit cost of \$5,000 and over and for Inventoried Assets a per-unit cost of less than \$4,999.99 and are high risk in nature.

2. Shall have a useful life of at least one year and be classified as follows:
 - a) Capital Assets shall have a per-unit cost of over \$5,000 and be accounted, inventoried and depreciated;
 - b) Inventoried Assets shall have a per-unit cost of less than \$4,999.99 and be accounted and inventoried;
 - c) And Other Inventoried Assets shall have a per-unit cost of over \$500 but less than \$4,999.99 and be accounted and inventoried.

3. ~~All furniture such as chairs, desks, etc. will be excluded and expensed as an operating expense (6399).~~

INVENTORY CONTROL

The Superintendent shall be responsible for establishing an accurate inventory of all school property, including land, buildings, improvements, ~~furniture~~ furniture and equipment, and vehicles. Administrative personnel shall be required to take a physical count of all such property at least annually. This inventory shall be updated and accounted for in the appropriate accounting records.

DEPRECIATION

Administrative personnel shall adopt and maintain for Capital Assets administrative procedures to establish estimated life and depreciation method for applicable District assets.

RESPONSIBILITY

The **Executive Director of Support Services** ~~assistant superintendent for business~~ and/or designee is responsible for maintaining an accurate inventory for the District. Principals and directors are responsible for accurate reporting of additions, retirements, and transfers according to approved procedures.

AUDITS

Records shall be maintained in a manner that will facilitate audits and shall provide a description, location, and value of individual assets and assets accounted for in groups. All records shall comply with TEA *Financial Accountability System Resource Guide*, federal regulations pertaining to grant application requirements, and generally accepted accounting principles.

DATE ISSUED: **Second Reading October 2008**

CFB (LOCAL)

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FIXED ASSET POLICY
OBJECTIVES

The fixed asset policy of the District is established to safeguard the assets of the District by establishing perpetual inventory records and affixing inventory numbers to furniture and equipment. In the event that any policy statement contained herein conflicts with that required by TEA *Financial Accountability System Resource Guide* (FASRG), as amended, or applicable federal regulations, the FASRG and/or federal regulations shall be followed.

The fixed asset policy of the District shall be to:

1. Comply with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB) and as required by TEA FASRG.
2. Maintain appropriated stewardship of the location and value of fixed assets.

FIXED ASSETS
DEFINED

For purposes of the District's financial statement, fixed assets shall be accounted for at cost or, if the cost cannot be practicably determined, at estimated cost. Donated fixed assets shall be recorded at their estimated fair value at the time received. Student activity purchases of fixed assets shall be accounted for at cost.

Fixed assets shall include land, buildings, improvements, furniture and equipment, and vehicles that:

1. Are not consumed as a result of use.
2. Have a useful life of at least one year and have for capital assets a per unit cost of \$5,000 or more, and for inventoried assets a per unit cost of less than \$5,000 and are high risk in nature.
3. Have a useful life of at least one year and are classified as follows:
 - a. Capital assets shall have a per unit cost of over \$5,000 and be accounted, inventoried, and depreciated.
 - b. Inventoried technology assets shall have a per unit cost of less than \$5,000, shall be accounted and inventoried, and shall be computerized in nature and composed of intricate circuitry.
 - c. Other inventoried assets shall have a per unit cost of over \$500 but less than \$5,000 and be accounted.

INVENTORY CONTROL

The Superintendent and/or designee shall be responsible for establishing an accurate inventory of all school property, including land, buildings, improvements, furniture equipment, and vehicles. Administrative personnel shall be required to take a physical count

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of all such property at least annually. This inventory shall be updated and accounted for in the appropriate accounting records.

DEPRECIATION

Administrative personnel shall adopt and maintain administrative procedures to establish estimated life and depreciation methods for applicable District capital assets.

RESPONSIBILITY

The executive director of support services or designee is responsible for maintaining an accurate inventory for the District. Principals and department heads are responsible for accurate reporting of additions, retirements, and transfers according to approved procedures.

AUDITS

Records shall be maintained in a manner that will facilitate audits and shall provide a description, location, and value of individual assets and assets accounted for in groups. All records shall comply with the TEA *Financial Accountability System Resource Guide*, federal regulations pertaining to grant application requirements, and generally accepted accounting principles.