



Book Olean City SD Policy Manual
Section 5000 Non-Instructional/Business Operations
Title Accounting of Fixed Assets
Code 5621
Status Active
Adopted December 12, 2006
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SUBJECT: ACCOUNTING OF FIXED ASSETS

The School Business Official shall be responsible for accounting for general fixed assets according to the procedures outlined by the Uniform System of Accounts for School Districts and GASB Statement 34 Regulations.

These accounts will serve to:

- a. Maintain a physical inventory of assets;
- b. Establish accountability;
- c. Determine replacement costs; and
- d. Provide appropriate insurance coverage.

Fixed assets with a minimum value established by the Board that have a useful life of one (1) year or more and physical characteristics not appreciably affected by use or consumption shall be inventoried and recorded on an annual basis. Fixed assets shall include land, buildings, equipment and materials.

A threshold of five thousand dollars (\$5,000) will be established as a basis for considering which fixed assets are to be depreciated. The threshold shall insure that at least eighty percent (80%) of the value of all assets are reported. A standardized depreciation method and averaging convention shall also be established for depreciation calculations.

Fixed assets acquired having a value equal to or greater than the established threshold are considered depreciable assets and shall be inventoried for the purposes of GASB 34 accounting practices and placed on a depreciation schedule according to its asset class and estimated useful life as stipulated by the NY State Comptroller's Office or the IRS.

Assets shall be recorded at initial cost or, if not available, at estimated initial cost; gifts of fixed assets shall be recorded at estimated fair value at the time of the gift. A property record will be maintained for each asset and will contain, where possible, the following information:

- a. Date of acquisition;
- b. Description;
- c. Cost or value;

- d. Location;
- e. Asset type;
- f. Estimated useful life;
- g. Replacement cost;
- h. Current value;
- i. Salvage value;
- j. Date and method of disposition; and
- k. Responsible official.

The School Business Administrator shall arrange for the annual inventory and appraisal of School District property, equipment and material. Any discrepancies between an inventory and the District's property records on file should be traced and explained.

A report of discrepancies, if any, shall be reported to the BOE.

Adopted: 12/12/06

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