



BOARD OF EDUCATION
POLICY 4040
FIXED ASSETS

Effective: November 26, 2002

Policy Statement

As a part of its obligation to publicly account for the resources dedicated to the education of students of the Howard County Public School System, the Board of Education of Howard County is responsible for compiling and reporting information on the system's fixed assets to the county government as part of its annual financial statements. These assets, tangible items that typically have significant value, include the property, facilities, and other assets that make up and enhance the physical environments of students and staff. Therefore, the Howard County Public School System should establish and maintain control over these items.

The Superintendent of Schools is directed to develop regulations and procedures to implement this policy.

Reference:

Government Accounting Standards Board Statement 34, Basic Financial Statements for State and Local Governments

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I. Definitions

- A. Computers – Any desktop, tower, or portable units housing a Central Processing Unit (CPU), input, output and data storage devices, and operating systems.
- B. Fixed Assets – A financial resource that:
 - 1. Is a computer; or
 - 2. Meets **all** of the following criteria:
 - a. Tangible in nature.
 - b. Has an extended useful life, at least one year.
 - c. Is not a repair part or supply item.
 - d. Has a value of \$5000 or more.

Items meeting the fixed asset criteria are classified by major categories, such as:

- a. Land
 - b. Buildings
 - c. Improvements to sites and facilities
 - d. Furniture and fixtures
 - e. Machinery and equipment
 - f. Construction-in-progress
 - g. Vehicles
 - h. Computers
- C. Fixed Asset Management System – A system of policies and procedures for recording and reporting monetary amounts associated with capital fixed asset transactions; maintaining control and accountability on the acquisition, use, control, protection, insurable values, accounting for depreciation, maintenance, and disposal of assets.

II. Regulations

- A. The Howard County Public School System (HCPSS) Fixed Asset Management System will maintain control and ensure accountability of fixed assets.
- B. The Fixed Asset Management System will use sequential numbering. Numbered tags will be affixed to all appropriate fixed assets.

- C. The Chief Business Officer has overall responsibility for the Fixed Asset Management System and compliance with the regulations and procedures of this policy.
- D. The principal/account manager/designee of each school or location is responsible for:
 - 1. Conducting a periodic review of fixed assets utilized in his/her building or program.
 - 2. Notifying Accounting Services and other appropriate school system staff of any items that are either missing or not included in the Fixed Asset Management System inventory.
 - 3. Implementing a process for monitoring the use of fixed assets by staff and students outside of the building or program (e.g., computers) as appropriate.
- E. Accounting Services is responsible for the maintenance of the Fixed Asset Management System.
- F. All newly acquired fixed assets are to be marked upon receipt and acceptance to identify the asset as HCPSS property.
- G. The Fixed Asset Management System will track and monitor the movement of all capital fixed assets from one location to another.
- H. All fixed assets will be disposed of in accordance with Policy 4080, Disposition of Property.
- I. Accounting Services is responsible for coordinating an annual physical inventory of fixed assets and the production and distribution of fixed asset reports.

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I. Acquisitions

- A. The Purchasing Office is responsible for the physical accounting and recording of all additions to fixed assets.
- B. The Purchasing Office will assign a fixed asset tag number to all fixed assets. Numbers will also be assigned to land, buildings, and improvements other than buildings.
- C. The Purchasing Office will provide to Accounting Services the following information for each addition to the Fixed Asset Management System:
 - 1. The year of acquisition.
 - 2. The cost of the acquisition.
 - 3. The assigned fixed asset tag number.
 - 4. A description of the item including make, model, and serial number if applicable.
 - 5. Location.
- D. Accounting Services will record the appropriate information in the Fixed Asset Management System.

II. Transfers

- A. The Warehouse is responsible for the physical accounting and reporting of the transfer of all fixed assets.
- B. Each time a fixed asset is transferred from one location to another, the following information will be included in the Pick-up/Delivery Request Form:
 - 1. The item's fixed asset tag number.
 - 2. A description of the item, including make, model, and serial number if applicable.
- C. A copy of the Pick-Up/Delivery Request Form for a fixed asset will be sent to Accounting Services.

- D. Accounting Services will record the appropriate information in the Fixed Asset Management System.

III. Disposals

- A. The Warehouse is responsible for the physical accounting and recording of the disposal of all fixed assets.
- B. The Warehouse will provide to Accounting Services the following information for each deletion of a capital fixed asset from the Fixed Asset Management System:
 - 1. The assigned fixed asset tag number.
 - 2. A description of the item, including make, model, and serial number, if applicable.
 - 3. Location.
- C. Accounting Services will calculate the appropriate depreciation for the item and record the information in the Fixed Asset Management System.

IV. Reporting

- A. Accounting Services will coordinate an annual physical inventory of fixed assets.
- B. Information on the fixed assets of the school system will be incorporated into the annual financial audit and the subsequent report and findings provided to the Superintendent and Board of Education.

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