

POLICY C-8
FIXED ASSET ACCOUNTING/INVENTORIES

The 1978 Kansas Legislature passed a bill identified as K.S.A. 75-1117, which required that the governing body of each municipality (including school districts) shall develop and maintain fixed asset records for buildings, land, and equipment.

The following local regulations are designed to meet the intent of the law:

1. The Superintendent of Schools, in cooperation with the school Principals, teachers, and secretaries, shall develop and maintain an annual inventory system which shall safeguard the various fixed assets of the District. The District inventory records shall then be used by the District's insurance carrier to identify and record the fixed assets of the District.
2. Each classroom and department (custodial, lunchroom, school nurse, etc.) shall maintain an inventory record for each equipment item (or group of items) which has a useful life of one or more years and which has an actual or estimated value of \$100 or more. This inventory record shall be duplicated for the Principal's office and the District Office.
3. To whatever extent possible, each "item" shall be tagged and assigned an inventory number.
4. Each item or group of items (example – 20 blue chairs) shall be assigned a cost. The cost may be the actual, if known, or estimated, if unknown. This cost should be the original cost, not replacement cost.
5. Property built into a building shall be counted as a part of the building and not a separate item. Test: Can the item be easily moved?
6. Items in use beyond normal life, such as old projectors, screens, etc. shall not be listed.
7. The District Office in cooperation with the district's insurance carrier shall be responsible for listing and assigning a cost to the following types of fixed assets: land buildings (and built in equipment), outside improvements (bleachers, scoreboards, etc.) and construction work in process. The local schools shall be responsible for equipment inventories.
8. Equipment is "moveable personal property" which retains its original shape, is nonexpendable, can be repaired, and represents a value of at least \$100.

9. Supplies are not to be inventoried as fixed assets. Supplies are consumed in use, lose original shape, are expendable, sometimes inexpensive, and frequently lose identity into a more complex item.
10. Sets such as socket wrenches, silverware, pots and pans, “10 folding tables”, etc., may be listed as a “group” of items. The “group list” may be retained within the school or department as a more precise inventory.
11. Books, with the exception of expensive volumes and sets, shall not be listed as fixed assets. (However, library book inventories must be maintained for purposes of other State reports).
12. Depreciation may be recorded periodically, but it is not required. However, each item should be assigned an “estimated useful life”, so that the district administration may drop the item from the district’s fixed assets when its useful life has expired or the item has been sold or purged.
13. Useful life has been estimated as follows for various types of fixed assets:

Office furniture	8 to 12 years;
Office equipment	5 to 7 years;
Buses	25 years;
Buildings	30+ years.
14. Inventory records, as developed and maintained by administration, shall be more inclusive and detailed than fixed asset records as determined by the district superintendent.

Inventories

An accounting will be made annually for all district-owned personal property.

An inventory record system shall be developed by the superintendent. All inventory records shall be annually updated showing deletions and additions, the estimated value, original cost (where available), date of purchase, serial numbers (where available) and location and condition of each piece of district-owned property.

The building principal shall take an annual inventory of district-owned personal property under the direction of the superintendent. Inventory forms shall be developed by the superintendent. One copy of each inventory taken in an attendance center shall be filed in that building, and one copy shall be filed in the central office with the clerk.