

Fixed asset accounting is an important part of the stewardship responsibility of school officials. It allows school officials to properly account for the financial and economic resources of the school system. An inventory control system will be established for all tangible fixed assets owned or possessed by the board of education. The superintendent shall ensure that a physical account of fixed assets is taken on an annual basis.

A. DEFINITION OF FIXED ASSETS

Fixed assets are items of tangible property, both real and personal, having a value of \$5000 or more and an estimated useful life of two years or more. Fixed assets are distinguishable from intangible property, such as money or securities, and consumable tangible property, such as office supplies.

B. CATEGORIES OF FIXED ASSETS

For the purposes of accounting and inventorying fixed assets, they will be divided into the following categories.

1. Land: Real property owned in fee simple, easements, rights-of-ways and leases and other interests in land.
2. Land Improvements: Permanent improvements (excluding buildings as defined in number 3 below) that add value to the land or improve the use of land, such as sidewalks, parking lots, driveways, fences and drainage systems.
3. Buildings: Any permanent or portable, man-made structure owned by the board of education and used to house or shelter persons or property, including schools, offices, warehouses, garages, sheds and similar structures.
4. Equipment: Any portable, tangible personal property not permanently affixed to real property that is owned, leased or used by the school system, including such items as machinery, tools, furniture, computers and motor vehicles.

C. RECORD KEEPING

The superintendent shall develop an appropriate record keeping and inventory system for the school system's fixed assets.

The following are minimum values for the recording of an asset or an improvement to an existing asset.

1. Land: All land and permanent rights to land (e.g., easements) will be recorded without regard to any significant value.
2. Buildings: All buildings will be recorded at acquisition cost without regard to significant value. Additions to buildings of less than \$50,000 per building will not be recorded.
3. Improvements Other Than Building: All improvements will be recorded at acquisition cost with regard to significant value. Additions to these improvements of less than \$50,000 per improvement may not be recorded.
4. Equipment: Equipment costing \$5,000 or more will be recorded as fixed assets. Equipment costing less than the above may not be recorded.

Fixed assets will be recorded and maintained according to the terms of a grant agreement if different from what is stated above.

Legal References: G.S. [58-31A-35](#); 115C-36, -47, ~~115C-102.6A(c)(5)~~, -523, ~~539~~

Cross References:

Adopted: May 7, 2013