

FORT HANCOCK INDEPENDENT SCHOOL DISTRICT

PROCEDURES: Fixed Asset Tracking

Goal:

An up-to-date inventory of all equipment, vehicles, and buildings with a unit value greater than \$5,000 shall be maintained for audit purposes. In addition, an up-to-date inventory of all equipment with a unit value between \$100 and \$5,000 shall be maintained for insurance purposes by the business department. All equipment shall be tracked by the campus or department.

Fixed Asset Functions:

- ❑ The Technology Director shall maintain an up-to-date database of all fixed assets and inventory items.
- ❑ The database shall include the following information, at a minimum:
 - ❑ A description of the equipment
 - ❑ Serial number or other ID
 - ❑ Local Assets
 - ❑ Purchase Orders
 - ❑ Original acquisition date
 - ❑ Original cost
 - ❑ Location
 - ❑ Disposition date
- ❑ Upon receipt of a Fixed Asset/Inventory Transfer form, the Technology Director shall post the change to the database and file the form for audit purposes.
 - ❑ All items transferred to the Technology Building as surplus or salvage shall be tracked on the database.
 - ❑ A list of all salvage items shall be submitted to the Superintendent for approval prior to a public sale or auction. The signed list shall be maintained for audit purposes.
 - ❑ All items sold via a public sale, auction, or disposal shall be removed from the fixed assets database.

Fixed Asset Transfer Form

A Fixed Asset/Inventory transfer form is required whenever equipment is moved from one location to another. This shall include one classroom to another, one campus to another, or from a location to the technology building.

No equipment shall be stored at a facility other than the technology building.

Procedures:

- Campus or department completes the form to move equipment
- If the equipment to be moved is technology or audio visual related, the Director of Technology should approve the transfer before processing the transfer form
- Forms should be submitted to the Technology Director for review.
 - If the equipment is audio visual or technology, the form should be routed to the Director of Technology for his approval. The Director of Technology will approval the movement of the equipment.

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- If the equipment is moving within the campuses, the form should be routed to the Technology Director for movement of the equipment.
- If the equipment is moving to the technology building, the form should be routed to the Director of Technology for his approval.
- After the items have been moved, the appropriate individual shall submit the completed form to the Technology Director.
- The Technology Director will input all transfers on the Fixed Asset Management system
- The Technology Director will maintain 2 separate inventories for warehouse items: storage (that will be reassigned as requested) and surplus (that will be sold or discarded)
- The Director of Technology will submit a transfer form to the Business Office for all items recommended to be discarded. After the Superintendent's approval. The Technology Director will post all items for discarding purposes. Under transfer to "trash" should be noted
- A transfer form shall be completed when items from storage are moved to a campus/department. The individual requesting the items shall complete the transfer form and follow the steps as noted above starting with the submission to Supervisor.

Monthly Reconciliation:

- All equipment with a unit cost over \$5000 (account codes 663X) should be tagged, posted in the Fixed Asset System and posted to the general ledger. These items are defined as fixed assets for audit purposes. These assets are also tracked on a spreadsheet for the purpose of calculating the annual depreciation expense.
- All equipment defined as "personal use items" such as laptops, I-Pad, digital cameras, calculators, etc. with a unit cost between \$100 and \$1,000 shall be tracked by the respective campus or department.
- All inventory and fixed asset items shall be tagged by the Technology Director upon receipt before delivery to the campus or department.
- A capital outlay report shall be generated at the end of each month by the Business Manager and provided to the Technology Director for reconciliation.
- All items on the capital outlay report shall be reconciled with the new inventory and fixed asset items tagged during the month.
 - The total 663X expenditures should be added to the fixed asset system and general ledger.
 - The total 664X expenditures should be added to the fixed asset inventory system.
- All inventory and fixed asset relocation forms received from campuses and departments shall be entered in the fixed asset system upon receipt.
- All inventory or fixed asset items purchased with federal grants should be tagged and the appropriate federal grant indicated on the item.
- The disposal of assets via surplus sales, stolen, or lost assets shall be recorded in the fixed asset system.
- The inventory and fixed asset schedules maintained in the fixed asset system should be used to purchase property and casualty insurance.

Annual Reconciliation:

- Annually, by May 1st, a list [sorted by room #] of all inventory and fixed asset items should be sent to each campus and department for reconciliation purposes.
- The reconciliation process should be complete by June 1st, and all changes posted on the fixed asset system soon thereafter.

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- ❑ All discrepancies and/or missing items should be compiled in a summary report and forwarded to the appropriate campus and/or department administrators.
- ❑ The staff members (teachers) should not be released for the summer until all missing items have been accounted for.
- ❑ A list of all fixed assets (over \$5000 unit cost) should be prepared by September 15th for audit purposes.
- ❑ The fixed asset depreciation schedules and spreadsheet should be prepared by September 15th and submitted to the Executive Director of Finance for audit purposes.

Fixed Asset Disposal:

- ❑ All efforts will be made to obtain the best return value to Fort Hancock ISD and consideration will be made to responsible protection of our environment.
- ❑ Fort Hancock ISD identification will be removed from items as part of the sales process. Any items that might contain data or any association with Fort Hancock ISD will be cleared or disposed of in a manner that ensures the data is destroyed (example: hard drives will not be sold, but would be destroyed to prevent any possible data recovery).
- ❑ The following 3 steps would be the method of disposal. [Exception for federally funded assets below]
 - ❑ Silent/Public Auction. Generally standard items will have a sale price established on the disposal list that will serve as a bid price. Other unique items will have a starting minimum price as established on the disposal list, but will be sold on a silent auction basis.
 - Two types of items will be identified – standard and unique.
 - Preset minimums will be established for “standard” item as shown on the approved disposal list. A few items will be marked as “unique” and will be sold using a silent bid format with the last and highest bid being the sales price as long as it exceeds the minimum value.
 - The unique items bid price will be the last highest price as reflected on the item bid sheet at the close of the sales day.
 - Employees have a preview to see what is for sale and to identify items that may have some instructional value for re-use in their classrooms and/or offices
 - Employee pre-sale sale 1 day prior to the public sale
 - Public sale for a designated period of time
 - All prices on standard items, as posted on the disposal list, will be in effect until 1 hour prior to the close of the sale at which time the prices may be reduced by 50%.
 - Unsold items that are suitable for sale shall be retained in storage for the next surplus sale.
 - ❑ Recycling. Items that are not sold during the garage sale will be disposed through recycling if possible.
 - ❑ Trash – Items that are not disposed of through recycling will be considered trash and disposed of as trash.
- ❑ All surplus auctions shall be advertised via website and The Hudspeth County Herald, as appropriate.
- ❑ All items disposed of shall be removed from the TxEIS system by the Data Processing Specialist.
- ❑ The Business Office shall reconcile and deposit all monies collected at the surplus auction.
- ❑ All surplus revenue shall be deposited to a miscellaneous revenue account in the General Fund (199), with the exception of surplus revenue from the sale of Food Service equipment which shall be deposited to the Food Service Fund (101).

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Use of Federally Funded Assets:

- ❑ All federally funded equipment shall be used, as long as needed, for the original grant project, whether or not the project continues to be federally funded.
- ❑ Assets shall be made available for other projects as long as the use does not interfere with the project under which it was originally acquired (it may be appropriate to split or share the costs of the equipment with other fund sources so that each program bears its fair share).
- ❑ When no longer needed for the original grant project, equipment may be used in other federally supported activities (if purchased with state funds, would be used in another state program).

Disposal of Federally Funded Assets:

- ❑ When equipment is no longer needed for the original project or another federally funded project, Fort Hancock ISD shall dispose of the equipment in the following manner:
 - Equipment with current fair market value of *less than \$5,000* may be retained, sold, or otherwise disposed of with no further obligations to TEA.
 - Equipment with current fair market value of *\$5,000 or more* may be retained or sold but TEA shall have right to the proceeds.
- ❑ TEA reserves the right to transfer title to another grantee for noncompliance or as needed after the project ends (regardless of how equipment is classified).
- ❑ At the conclusion of a local grant project, TEA may request a list of equipment purchased with grant funds. The grantee must request disposition instructions from TEA. For most TEA discretionary grants, if a local project is ending and the grantee no longer needs equipment purchased with grant funds, and if the equipment is relatively up-to-date and in good working order, TEA, at its discretion, may instruct the grantee to transfer the equipment to another viable grantee.
- ❑ Disposal of all federally funded assets shall be tracked in the fixed assets database, including a disposition date and method for audit purposes.