

1 **ASSET MAINTENANCE PROCEDURE: INVENTORY RECORDS OF FIXED ASSETS**

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3 It is the intention of the Mountain Home School District to maintain an accurate listing of all assets
4 purchased and in the possession of the District. This listing will provide an accurate description of
5 the item, its date of purchase, location, and cost for the purpose of insurance coverage, operational
6 replacement, and audit compliance. An asset, as defined by this policy, is those items purchased
7 either singularly or in like groups, having a life of more than two years, and costing in excess of
8 \$1,000.00. Items not meeting the above criteria may be tagged and added to the asset list if they
9 are highly subject to theft or loss. Such items include, but are not limited to, computers, cell phones,
10 pagers, tools, televisions, and VCR's. Other items may warrant inclusion at the discretion of the
11 superintendent.

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13 The District will take a physical inventory count annually each school year. An asset list will be
14 provided to each location of the assets on record. Any transfer, addition or deletion may be made
15 to this list, signed by the administrator, and returned to the District Office. All asset lists will be
16 approved by the superintendent or designee and forwarded to District staff for maintenance to the
17 list. Transfers between rooms or buildings should be noted as additions to the locations they are
18 in, and as deletions in the locations they come from.

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20 Items that require specific identification are those that are prone to theft or loss. Written
21 identification markings will be placed on these items to facilitate tracking and identification. Other
22 items can be accounted for visually without specific identification. These include items like desks,
23 chairs, and classroom accessories. These items will not have identification markings largely due
24 to the nature of these items, and the possibility the markings would be tampered with by students.

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26 Assets constructed internally will be capitalized if the cost of labor and materials exceeds
27 \$1,000.00, and the life of the item exceeds two years. Repairs will be differentiated from
28 improvements to determine their capitalization status. Repairs will not be capitalized unless the
29 repair significantly extends the life of the asset or significantly improves the asset. An example is

30 a replacement of a leaky gravel roof with another gravel roof. While the replaced roof extends the
31 life of the building, it is replacing one roof with a similar roof and would not be capitalized.
32 Replacing the gravel roof with a pitched asphalt roof would be capitalized as a significant
33 enhancement of what was there before.

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35 The asset capitalization process begins with accurate coding on the purchase order. All items to be
36 capitalized will be coded to 550 in the third series of numbers on the account code (object). A copy
37 of the Purchase Order (PO) will be given to the District staff as a control document. A report will
38 be generated monthly showing the capitalized purchases actually made during the month. This list
39 will be compared to the hard copy of the PO to verify the actual purchase and price of the asset.
40 Freight, renovation, and all associated costs of acquiring the asset and making it functional will be
41 included in its booked cost. The asset will be recorded in the asset database. Annually, this list will
42 be sent to each site for physical verification of the assets.

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44 Assets can be disposed of during the year if their functionality becomes useless. Assets to be
45 discarded need to have the appropriate signatures on an asset disposal form authorizing the
46 disposal. There may be another use for the asset somewhere in the District. The signers on the
47 asset disposal form are also responsible for determining the proper avenue to dispose of the asset
48 and the collection of any cash proceeds from the asset sale.

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50 All technology hardware and software needs to be coordinated through the technology director.
51 This is necessary to standardize on compatible hardware and software throughout the District. The
52 technology director is responsible for maintaining the site licenses, ordering the computer
53 components, maintaining standardization of equipment, transferring assets, and disposing of
54 technology equipment. A computer upgrade will not necessarily need to be capitalized, but
55 modifications to the computer description may need to be changed due to new configuration.
56 Software should be capitalized primarily for tracking the quantity and versions of software used
57 throughout the District. A computer will be considered the CPU, monitor, cables, keyboard,
58 mouse, and internal hardware. Printers, scanners, and software will have separate asset numbers.

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60 Donated assets must be added to the asset listing if the donation meets the criteria stated above.
61 Director of Maintenance or designee must inspect all donations using electrical voltage and the
62 technology director or designee must inspect all computers prior to usage. Letters acknowledging
63 the donation will come from these offices. The District Office will issue letters acknowledging
64 donation of items that are not electrical or technical. Valuation of the donated item will not be
65 made by the District and will be left to the judgement of the donor if they need a value for tax
66 purposes. Notification of any donated assets must be made to the District staff for inclusion to the
67 asset list prior to the use of the asset.

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69 Multiple assets similar in type will be accounted for on a weighted average basis. Desks for
70 example will have one asset number for the quantity and costs of all the desks in the building. Each
71 room will have an asset number showing the desks that are in that room, but no value is assigned.
72 The individual room asset number is for counting purposes only. Any changes in the sum of the
73 room counts will be changed on the master asset number. Any purchases will have the cost and
74 quantity added to the master asset number only and the average cost of the items will be increased
75 with the purchase. Any disposals will be a reduction from the quantity of the master asset number
76 and the cost reduced by the average cost of the items times the number of items disposed.

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81 **LEGAL REFERENCE:**

82 Idaho Code Section 33-506(1)

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84 **ADOPTED:** May 24, 2004

85 Revised: October 21, 2008 Reviewed: October 15, 2013 Reviewed: