

Maury County			
Monitoring:	Descriptor Term: Fixed Asset Control Policy	Descriptor Code: 2.704	Issued Date: 05/16/22
		Rescinds: 2.704	Issued: 01/18/22

1 **PURPOSE**

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3 The purpose of this policy is to provide guidelines for the control and reporting of fixed assets
4 purchased, constructed or otherwise acquired by the Maury County Board of Education in
5 accordance with Governmental Accounting Standards. Furthermore, this policy shall provide the
6 framework for financial reporting in accordance with Governmental Accounting Standards Board
7 (GASB) Statement No. 34, *Basic Financial Statement-and Management’s Discussion and Analysis-*
8 *for State and Local Governments.*

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10 **SCOPE AND APPLICABILITY**

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12 This policy and associated procedures shall apply to all departments, offices and schools of the
13 Maury County Public School System.

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15 This policy applies to all fixed assets purchased, constructed or otherwise acquired by the Board.
16 Fixed assets shall include but are not limited to land and land improvements, buildings and
17 improvements, machinery and equipment, furniture and fixtures.

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19 **RESPONSIBILITIES**

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21 The Maury County Office of Financial Management’s Purchasing Office shall
22 administrate these policies and procedures under the direction of the Board. Purchasing,
23 accounting and reporting functions related to fixed assets shall be performed by the
24 Maury County Office of Financial Management’s Purchasing Office under the direction of
25 the Purchasing Agent.

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27 However, full cooperation from all departments and schools in the school system in the
28 implementation of these policies and procedures is essential to effective internal control and
29 reporting in accordance with Governmental Accounting Standards. Furthermore, each department
30 head or principal shall be responsible for the proper physical control over all assets acquired and
31 held by his or her office.

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33 Directors of federal grants shall be responsible for meeting federal requirements for the
34 identification, tracking, and disposal of items meeting the definition of movable
35 property/equipment. Procedures for handling these responsibilities shall be included in the Uniform
36 Grants Guidelines.

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38 **SPECIFIC RESPONSIBILITIES**

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A. All Departments and Schools

1. Designate a knowledgeable employee as Property Custodian. The name of this individual shall be submitted to the Maury County Office of Financial Management's Purchasing Office for direct communication purposes. The Property Custodian shall be responsible for maintaining internal control over departmental inventory records, acting as the department's liaison with the Maury County Office of Financial Management's Purchasing Office and performing an annual inventory of tagged assets.
2. Allow Maury County Office of Financial Management's Purchasing Office personnel access to all records necessary to aid in determining the proper accounting and reporting of fixed assets.
3. Assist the Maury County Office of Financial Management's Purchasing Office with the maintenance of a listing of fixed assets for which the department or school is held accountable.
4. Assist the Maury County Office of Financial Management's Purchasing Office with the timely identification and tagging of newly acquired property and equipment.
5. Report the theft of property, immediately, to the Sheriff's Department. The loss of property should also be reported to the Maury County Office of Financial Management's Purchasing Office in the manner prescribed in this policy.
6. Provide timely notification of any assets deemed to be surplus or damaged to the Maury County Office of Financial Management's Purchasing Office in a manner prescribed by Policy 2.403.
7. Provide requests for transfers of property and equipment to the Maury County Office of Financial Management's Purchasing Office in a manner prescribed by this policy.
8. Provide assistance to the Maury County Office of Financial Management's Purchasing Office during the performance of periodic inventory audits.
9. Respond in a timely manner to audit inquiries made by the ~~Budget and Finance~~ Maury County Office of Financial Management's Purchasing Office in conjunction with periodic inventories and the maintenance of fixed asset records.
10. All purchases using Federal funds shall be coordinated the with Federal Programs Department in order to tag all newly acquired assets with a value of \$100 or more according to Uniform Grants Guidance.

B. Maury County Office of Financial Management's Purchasing Office & Federal Grant Director

1. Maintain inventory listings of all assets held by the Maury County Public Schools as described in this policy.
2. Tag all newly acquired assets as determined by this policy and input all relative information into the fixed asset database and records of the Board.
3. Process fixed asset dispositions including the removal of identification tags prior to asset disposal or sale.
4. Conduct periodic audits of the physical inventories of all departments and offices to ensure compliance with these policies and procedures and proper accountability.
5. Ensure proper accounting and reporting of fixed assets in accordance with Governmental Accounting Standards.
6. Assist the State Comptroller's Office, Division of County Audit with year-end audit

1 procedures related to fixed assets and financial reporting.
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3 **C. School Board**

- 4 1. Assist the Maury County Office of Financial Management's
5 Purchasing Office with enforcement of these policies and procedures
- 6 2. Approve all declarations of surplus or damaged equipment and the disposal of property
7 with little value, (refer to policy 2.403).
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9 **DEFINITION OF MOVEABLE PROPERTY/EQUIPMENT**

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11 Moveable property and/or equipment is defined as items of a non-expendable nature costing or being
12 valued at \$500 or more. Due to their nature, these assets are susceptible to theft or misappropriation.
13 Examples of such items include computers, facsimile machines, televisions and other electronic
14 equipment. Items meeting the \$500 original acquisition cost/value "threshold" may be tagged
15 with a Maury County Public Schools inventory number and carried in the Board's inventory records.
16 Items valuing less than \$500 may be tagged if it is determined by Central Office staff and school
17 personnel to be appropriate due to the nature of the item (i.e. susceptible to theft). Software is not
18 considered moveable property. However, departments should take steps to establish a record-keeping
19 system to track software acquisitions.
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21 All assets purchased with Federal grant funds with a value of \$100 or more must be identified, tagged,
22 tracked, and disposed of by the department responsible for managing and administering the federal
23 grant. All procedures for the management of federally-purchased assets meet federal requirements and
24 are described within the Uniform Grants Guidelines.
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26 **PROPERTY SUBJECT TO CAPITALIZATION**

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28 Any fixed assets with an original value of \$10,000 or more and a life expectancy of more than
29 one year shall be capitalized in accordance with the policies of Maury County and Governmental
30 Accounting Standards. Assets should be recorded at their actual historical cost or, if such cost is not
31 easily determinable, at estimated cost. Donated assets should be recorded at their estimated fair market
32 value at the time of receipt. Actual costs include not only the purchase or construction cost which may
33 be obtained from invoice or purchase order files, but also any charges necessary to deliver the asset to
34 its final or intended location. Such costs include shipping and transportation, any necessary site
35 preparations, professional fees and any legal claims that could be attributed to the acquisition of the
36 asset. Estimated costs should be based on as much evidence as can be collected to support the cost,
37 such as interviews with the appropriate personnel.
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40 Classes:

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| 41 L - land | 46 F - furniture and equipment |
| 42 B - buildings | 47 M - musical instruments |
| 43 I - improvements other than buildings | 48 V - vehicles |
| 44 A - audiovisual equipment | |
| 45 C - computers and computer equipment | |