

**Fixed Asset  
Accounting**

The District's regulations and procedures regarding fixed assets and the capitalization threshold are as follows.

Characteristics

For purposes of accounting and inventories, fixed assets have four characteristics. They are:

1. Tangible in nature;
2. Long-lived; that is, they have a useful life of longer than one year;
3. Reasonably identified and controlled through a physical inventory system; and
4. Of significant value at the time of purchase or acquisition in the amount of \$500 or greater.

Capitalization  
Threshold: Capital  
Assets

Capital assets are defined as non-expendable, tangible property with a useful life of more than one year and a cost or current value of \$5,000 or more, such as furniture, equipment, and buildings.

Controllable Assets

Controllable assets are those with a multiyear life and a value between \$500 and \$4,999.99 per unit. These items will be tagged, recorded, and tracked by the District.

Procurement of  
Fixed Assets

All purchased fixed assets must be purchased through the District's software accounting system IFAS in order to ensure that the fixed asset is captured and valued correctly for District purposes. Each fixed asset can be purchased only from one funding source.

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**Note:** Activity funds cannot directly purchase a fixed asset; the purchase must be transacted through the District's General Ledger via the campus's student activity fund (Fund 865 in the District's General Ledger). [See CFD(LOCAL)]

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Donated Assets

Assets donated to a campus or department that meet the four characteristics of a fixed asset will need to be added to the District's fixed asset system and valued at fair market value. Therefore, the principal or department head will complete the fixed asset update form and submit the form to the fixed asset accountant in the finance office.

Tagging of Fixed  
Assets

All fixed assets will be tagged, recorded, and tracked in accordance with the following:

- All fixed assets, whether purchased or donated, should be tagged.
- Tags may be obtained from the finance department's fixed asset accountant.

**Disposal of Fixed Assets**

For provisions regarding disposal of fixed assets, see policies and procedures at CI.

**Equipment Use Agreement**

If an employee requests permission to remove a fixed asset from District property for use, he or she must complete the District equipment use agreement form that contains the terms and conditions under which such use will be permitted, including the employee's financial responsibility for loss of or damage to the fixed asset, as set out in Section 6 of the agreement form.

The signed form will be kept on file by the campus or department. The form can be downloaded at the "AISDWeb" Financial Services Online Library.

**Annual Inventory**

Principals and department heads are required to perform an annual inventory of fixed assets in accordance with Board Policy EL-9.

Attendance at the annual inventory training session will be required for each person taking the inventory at each location. Each principals and department head will be required to supply the fixed asset department with the name and contact information of the individual assigned to be in charge of the annual inventory at the campus or department by November 1 of each year.

**Fixed Asset Update Form**

All changes to or donations of fixed assets must be reported on the fixed asset update form. The current form and instructions will be available on the finance Web site.

**Custodial Responsibility**

Principals and department heads (or similar titles for administrative managers) are responsible for and will be held accountable for all equipment and other fixed assets in their custody or assigned to their campus or department. Their responsibilities will include the following:

1. Ensuring proper procurement of a fixed asset;
2. Ensuring proper care and maintenance of fixed assets;
3. Ensuring proper usage of fixed assets;
4. Ensuring proper disposal of obsolete or surplus property;
5. Ensuring that all assets are tagged;
6. Reporting thefts to the police department and the fixed asset accountant;
7. Ensuring that an equipment use agreement form is completed if equipment is loaned to an employee;

8. Reporting inventory changes on a fixed asset update form to the fixed asset accountant;
9. Notifying the fixed asset accountant of donated fixed assets; and
10. Completing the annual inventory.

**Fixed Asset  
Accountant  
Responsibility**

The fixed asset accountant will be responsible for development and implementation of regulations and procedures relating to fixed assets. The responsibilities will include:

1. Providing guidance to principals and department heads related to fixed asset policies and procedures;
2. Reconciling the fixed asset system to the general ledger;
3. Recording changes to the fixed assets based on the fixed assets update form;
4. Coordinating the annual physical inventories of fixed assets; and
5. Serving as custodian of unused fixed asset tags.