

POLICY

SOMERSET COUNTY
BOARD OF EDUCATION

Date Submitted: August 16, 2005 Date Reviewed: December 12, 2006 October 12, 2010	Number: 300-13
Subject: Fixed Assets	Date Approved: September 20, 2005 January 09, 2007 December 14, 2010 Date Revised: December 12, 2006 October 12, 2010 Date Effective: July 1, 2005 January 09, 2007 December 14, 2010

1. PURPOSE

A Fixed Asset Inventory will be maintained to account for land, building (including furniture) and equipment within the school system. Capitalization of fixed assets will comply with the procedures outlined in the Maryland State Department of Education Financial Reporting Manual. Minimum dollar limitations will be reviewed periodically and may be adjusted at the recommendation of the Superintendent or (his/her) designee.

2. BACKGROUND

In 2002, Somerset County Public Schools began compliance with GASB (Governmental Accounting Standards Board) 34, which required all governmental agencies to include valuation of fixed assets and correlating depreciation within their financial statements. Somerset County Public Schools engaged an external firm to prepare an inventory of assets by school. This inventory has been updated annually by the Finance Office Staff.

3. PROCEDURES

A. Capitalization Guidelines: A land, building or equipment (including furniture) item will be considered eligible for capitalization and inclusion in the Fixed Assets Inventory if it meets two criteria: individual item cost or value greater than or equal to \$5,000; and, life expectancy of more than one year. Purchases will be reviewed on an ongoing basis to identify items to be placed in inventory. Assets will be depreciated over the useful life as recommended by the Association of School Business Officials listing. (See Administrative Guideline)

B. Sensitive Equipment: An inventory of sensitive equipment (computers, document cameras, digital cameras, etc) with a value less than \$5,000 will be maintained by the Technology Division.

- C. Additions:** All purchases will be reviewed for items that should be included in inventory (See Administrative Guideline)
- C. Deletions:** Assets are deleted from the inventory upon disposal. There are three methods of disposal: sell the item via auction; donate the item to other non-profit organizations; or, discard the asset. (See Administrative Guideline) Laptops purchased as part of the 1:1 Technology Initiative Lease Purchase agreement will not be subject to the disposal methods; rather, at the end of the lease period, students will be given the opportunity to purchase the laptop at the price determined within the lease agreement.