

Fixed Assets

Board Policy: A-16
Adopted: October 12, 1992
Revised: July 11, 2005

I. General Policy Statement

All fixed assets belonging to Haywood County Schools are to be recorded and maintained in accordance with requirements of the Fixed Assets policy set forth in the Department of State Treasurer Manual and General Statutes 159-26(b)(8); **115C-539**; **115C-102.6A.c(5)**. The objective of the fixed assets system is to provide for effective property management, control, and accountability of property by assignment to specific accountable officers of the Haywood County School System.

II. Definitions

A. Fixed assets

Fixed assets are tangible in nature and have a useful life longer than one year. They are classified as land, improvements other than buildings, buildings, operating plants, equipment, technology hardware, vehicles, and construction in progress. Fixed assets can be both movable and immovable. Items of insignificant value, while they may meet the above criteria, are normally expensed instead of being considered fixed assets. Fixed assets are defined by classification as follows:

1. Land

An asset which reflects the acquisition value of land and the rights to land owned by the Haywood County School System. It includes all land held in fee simple and all rights to land that has no termination date.

2. Improvements other than buildings

An asset which reflects the acquisition value of permanent improvements (other than buildings) that add value to the land or which improves the use of the land. Examples of such improvements are: fences, retaining walls, drainage systems, sidewalks, parking lots, and driveways.

3. Buildings

An asset which reflects the acquisition value of permanent structures owned by Haywood County Schools used to house persons and property. Permanently installed fixtures to or within these structures are considered parts of the structures and must be recorded.

4. Operating Plants

An asset which reflects the acquisition value of plants used to provide the services of utilities, including both the buildings and equipment.

5. Equipment

An asset which reflects the value of tangible property not permanently affixed to real property, used in carrying out the operations of the Haywood County Schools. Examples of equipment include but are not limited to machinery, furniture, and computer technology equipment.

6. Vehicles

An asset which reflects the value of motor vehicles owned by Haywood County Schools.

7. Construction in progress

An asset which reflects the dollar amount expended on an uncompleted building or other capital construction project. When the project is completed, the cumulative costs are transferred to the appropriate description listed above.

B. Valuation

The value of fixed assets must be recorded at cost, or if the cost is not practicably determinable, at estimated historical cost. Donated assets shall be recorded at their estimated fair market value when received. The cost of assets shall be recorded by classification as follows:

1. Land - All land and permanent rights to land (e.g., easements) shall be recorded at cost.
2. Improvements other than buildings - Improvements other than buildings that cost \$500 or more shall be recorded at actual cost.
3. Buildings - All buildings should be recorded at acquisition cost and additions costing \$500 or more shall be recorded.
4. Operating Plants - All buildings included in the operating plant shall be recorded at acquisition cost. Additions to these buildings costing \$5,000 or more shall be recorded as capitalized fixed assets. All equipment classified within the operating plant costing \$5000 or more shall be recorded as capitalized fixed assets. All equipment classified within the operating plant costing between \$500 and \$4999 shall be coded as non-capitalized equipment.
5. Equipment, technology hardware, and vehicles – Equipment, technology hardware, and vehicles costing \$5000 or more shall be recorded as capitalized fixed assets. Equipment and vehicles costing between \$500 and \$4,999 shall be coded as non-capitalized equipment.

III. Regulations

- A. An inventory of all fixed assets belonging to Haywood County Schools shall be maintained for each facility and/or site and custody and accountability for such property is the responsibility of the accountable officer (principal, supervisor, or program director) in charge of the facility or site.

- B. Inventories of existing facilities and/or sites will be maintained on the Central Office computer by Finance Department Personnel. In June of each fiscal year, Finance Department personnel shall send the current computer inventory to the accountable officer for verification. The accountable officer shall indicate information changes to include acquisitions, dispositions, and changes in location.

- C. The initial inventory of a new or renovated facility or site shall be the responsibility of the accountable officer. Such inventories must be sent to the Finance Department for entry in the computer controlled Fixed Asset System.

- D. Each inventory shall be sufficient in detail to adequately describe item description, acquisition date, acquisition cost, asset number, property condition and location.

- E. All fixed assets shall be permanently marked as property of Haywood County Schools by identification tag, stencil or painting with distinctive bands or colors.

- F. Instructional Technology Center personnel are responsible for marking or tagging fixed assets. Moveable equipment items are to be delivered to the Center for proper identification prior to placing the items in service.

- G. Fixed assets to be inventoried shall include all items purchased for use in the Haywood County School System as qualified in the above definitions regardless of source of funds unless the source of funds specifically requires separate identification as a condition of the fund.

Legal References: G.S. 115C-539; G.S. 115C-102.6A.c(5); G.S. 159-26(b)(8)