

FIXED ASSETS AND INVENTORY SYSTEM

A general accounting of fixed assets and inventory shall be established within Laramie County School District #2. The business manager shall be responsible for the maintenance of permanent records of District property and development of procedures for conducting periodic inventories of school property and equipment. The inventory system used shall accurately reflect the transfer of District property and equipment from one location to another. The procedures set forth for the fixed assets inventories shall be within the prescribed guidelines of generally accepted accounting procedures (GAAP).

Fixed Assets: A fixed asset is a building, site improvement, fixture, or equipment, which has a purchase price of \$5,000 or more and a serviceable life of more than one year. All assets meeting this definition will be capitalized in the fiscal year of purchase and depreciated annually using the straight-line method. The useful life of capitalized assets will follow the recommendations set forth in the publication "GASB 34 Implementation Recommendations for School Districts."

Inventory: Items to be included in inventory will be established at the time of purchase. An item, which should be included in a site's inventory, is a material unit which meets all of the following conditions:

1. It retains its original shape and appearance with use.
2. It is non-expendable; i.e., if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair it rather than replace it with an entirely new unit.
3. It does not lose its identity through incorporation into a different or more complex unit or substance.
4. Its cost is at a minimum level in line with GASB 34 requirements or in line with applicable specific federal grant requirements.

All fixed assets and qualified inventory should be appropriately marked and numbered by metal plate, decal, or other permanent method of identification. Annual inventories should be completed in each building and department and each employee shall be responsible for inventories in his/her care; and building principals/supervisors shall send copies of all inventories to the business manager who shall prescribe forms and procedures and who will maintain an inventory of all fixed assets and inventory by location.

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