

INVENTORY, ACCOUNTING OF FIXED ASSETS, AND TRACKING

The Superintendent will designate a Board of Education (“Board”) staff member who will be responsible for maintaining an accurate inventory of the School District’s assets. The City of Yonkers Finance Department (“Finance Department”) will be responsible for depreciation calculations through the use of the COY Financial System. The Finance Department shall also be responsible for the year-end financial presentation of fixed assets for audit purposes, based on the information provided by the designated Board staff member, and summary of cumulative expenditures on open and completed capital projects on Board facilities.

- a.) The designated Board staff in conjunction with the Finance Department shall be responsible for the administration and maintenance of fixed asset systems in accordance with the procedures outlined by the Uniform System of Accounts for School Districts and Governmental Accounting Standards Board (“GASB”) Statement 34 Regulations. The Board and/or its staff shall maintain a physical inventory of assets, determine replacement costs, and provide appropriate insurance coverage. The Finance Department shall maintain depreciation schedules, as computed and maintained by the COY Financial System.
- b.) Fixed assets with a minimum value, as established by the Board, that have a useful life of one year or more and physical characteristics not appreciably affected by use or consumption, shall be inventoried and recorded on an annual basis. Fixed assets shall include, but are not limited to, land, buildings, improvements, machinery, equipment, and materials.
- c.) With regard to capital improvement projects on Board facilities, the Finance Department shall keep and update cumulative expenditures, referred to as work in progress, and determine the following at year end:
 - (1) the deletion of cumulative expenditures on completed projects subject to capitalization and depreciation; and
 - (2) the addition of expenditures to incomplete new and/or existing capital projects.
- d.) The Board shall establish a five thousand dollar (\$5,000) threshold as a basis for the calculation of depreciation of fixed assets. A standardized depreciation method and averaging convention shall be used, through the COY Financial System, to determine depreciation calculations.
- e.) The Board shall establish a five hundred dollar (\$500) threshold for the District-wide insurable value calculations for all inventory assets. It is therefore recommended that this threshold is used as a basis for tracking assets in the District.
- f.) Assets shall be recorded at initial cost or, if not available, at estimated initial cost. Gifts of fixed assets shall be recorded at estimated fair value at the time of the gift. A property record will be maintained for each asset and will contain, where possible, the following information:
 - (1) Date of acquisition;
 - (2) Description;
 - (3) Cost or value;

- (4) Location;
 - (5) Asset type;
 - (6) Estimated useful life;
 - (7) Replacement cost;
 - (8) Current value;
 - (9) Salvage value;
 - (10) Date and method of disposition;
 - (11) Responsible official; and
 - (12) Barcode number.
- g.) The Superintendent and/or his/her designee shall arrange for the annual inventory and appraisal of District property, equipment, and materials. Any discrepancies between an inventory and the District's property records on file shall be traced, explained, and documented.
- h.) An annual inventory of equipment, including instructional equipment, shall be maintained. All items that have a life expectancy of five years or longer shall be included in the inventory with the exception of equipment permanently fixed in a building such as, but not limited to, heaters and lockers. The equipment inventory shall serve both the functions of control and conservatism.
- i.) For equipment inventory purchased pursuant to federally funded awards made prior to December 26, 2014, a subsidiary master inventory and annual inventory shall be maintained in accordance to EDGAR Part 88.32 and 80.36, and shall be maintained for at least five years. For equipment inventory purchased pursuant to federally funded awards made on or after December 26, 2014, a subsidiary master inventory and annual inventory shall be maintained in accordance with 2 CFR Part 200.
- j.) Management of Property Acquired by Federal Grants: Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, at a minimum, be as follows:
- (1) Property records must be maintained and shall include a description of the property, a serial number or other identification number, the source of funding for the property, who holds the title, the acquisition date, the cost of the property, the percentage of Federal participation in the cost of the original purchase, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property;
 - (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years;
 - (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated;
 - (4) Adequate maintenance procedures must be developed to keep the property in good condition; and
 - (5) If the District is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

- k.) An inventory of supplies which are warehoused shall be maintained separately for the instructional, cafeteria, maintenance, and transportation departments. A physical inventory shall be taken annually.
- l.) All equipment will be properly labeled. Labels for federally funded equipment shall include the source of funding for the property.
- m.) Disposition of Property Acquired by Federal Grants: When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, the Board must request disposition instructions from the Federal awarding agency, if required by the terms and conditions of the Federal award. Disposition of such equipment will otherwise be made as follows:
- (1) Equipment with a current per unit fair market value of \$5,000 or less may be retained, sold, or otherwise disposed of with no further obligation to the awarding agency.
 - (2) Except as provided in CFR §200.312(b) regarding Federally-owned and exempt property or if the awarding agency fails to provide requested disposition instructions within one hundred twenty (120) days, equipment with a current per unit fair market value in excess of \$5,000 may be retained by District or sold. The awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the awarding agency may permit the District to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.
 - (3) The District may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the District must be entitled to compensation for its attributable percentage of the current fair market value of the property.
 - (4) In cases where the District fails to take appropriate disposition actions, the awarding agency may direct the District to take disposition actions.

Ref: School District Accounting and Reporting Manual (Updated August 2019)
EDGAR Part 80.32 and 80.36 (Awards made prior to 12/26/2014)
2 CFR Part 200.313; 2 CFR Part 200.317-200.326
Governmental Accounting Standards Board Statement 34 Regulation

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