

1 Fixed asset accounting is an important part of the stewardship responsibility of school officials.
 2 It allows school officials to properly account for the financial and economic resources of the
 3 school system. An inventory control system will be established for all tangible fixed assets
 4 owned or possessed by the [Transylvania County Board of Education \(the “board”\)](#). The
 5 superintendent shall ensure that a physical account of fixed assets is taken on an annual basis.

6

7 **A. DEFINITION OF FIXED ASSETS**

8

9 Fixed assets are items of tangible property, both real and personal, having (1) an
 10 **estimated useful life of two years or more and (2) a value of \$500 or more and an**
 11 **estimated useful life of two years or more for items purchased with federal funds or a**
 12 **value of \$5,000 or more for items not purchased with federal funds.** Fixed assets are
 13 distinguishable from intangible property, such as money or securities, and consumable
 14 tangible property, such as office supplies.

15

16 **B. CATEGORIES OF FIXED ASSETS**

17

18 For the purposes of accounting and inventorying fixed assets, they will be divided into
 19 the following categories.

20

- 21 1. Land: Real property owned in fee simple, easements, rights-of-ways, and leases,
 22 and other interests in land.
- 23 2. Land Improvements: Permanent improvements (excluding buildings as defined in
 24 subsection 3, below) that add value to the land or improve the use of land, such as
 25 sidewalks, parking lots, driveways, fences, and drainage systems.
- 26 3. Buildings: Any permanent or portable, man-made structure owned by the board of
 27 education and used to house or shelter persons or property, including schools,
 28 offices, warehouses, garages, sheds, and similar structures.
- 29 4. Equipment: Any portable, tangible personal property not permanently affixed to
 30 real property that is owned, leased, or used by the school system, including such
 31 items as machinery, tools, furniture, computers, and motor vehicles.

32

33 **C. RECORD KEEPING**

34

35 The superintendent or designee shall develop an appropriate record keeping and
 36 inventory system for the school system’s fixed assets.

37

38 Legal References: G.S. 115C-36, -47, 115C-102.6A(c)(5), -523, -539

39

40 Cross References:

41

42

43

44

45 Adopted:
46

NEW