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

A. Definition of Fixed Assets

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

B. Categories of Fixed Assets

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

1. Land: Real property owned in fee simple, easements, rights-of-ways, and leases, and other interests in land.

2. Land Improvements: Permanent improvements (excluding buildings as defined in subsection 3, below) that add value to the land or improve the use of land, such as sidewalks, parking lots, driveways, fences, and drainage systems.

3. Buildings: Any permanent or portable, man-made structure owned by the board of education and used to house or shelter persons or property, including schools, offices, warehouses, garages, sheds, and similar structures.

4. Equipment: Any portable, tangible personal property not permanently affixed to real property that is owned, leased, or used by the school system, including such items as machinery, tools, furniture, computers, and motor vehicles.

C. Record Keeping

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

Legal References: G.S. 58-31A-35; 115C-36, -47, -102.6A(c)(5), ~~-523~~-529

Cross References:

Adopted: July 18, 2016

Revised: December 16, 2019; [DATE]