

Date: September 14, 2009

AREA: General Administration
AGENDA ITEM(S): Fixed Assets Capitalization Policy
CONTACT PERSON(S): Robert L. Logan, Superintendent
<input checked="" type="checkbox"/> ACTION <input type="checkbox"/> FOR INFORMATION

I. Synopsis of Agenda Item (Overview & Purpose)

The amendments to Policy 8350 is being presented for approval. The corrections being presented were originally presented June 11, 2007 for first reading and July 23, 2007 for second reading and adoption. The wording of this policy aligns with the General Statutes requirements.

II. Organizational Impact (Academic, Fiscal & Personnel)

Adoption of amended policy 8350 Fixed Assets Capitalization will align the policy with General Statutes.

III. Superintendent's Recommendation (For Action)

For approval at the September 14, 2009 Board of Education meeting.

Suggested Motion: I move that the Chatham County Board of Education approve amendments to Board Policy 8350 Fixed Assets Capitalization as presented at first reading.

Fixed asset accounting is an important part of the stewardship responsibility of school officials. It allows school officials to account properly for the financial and economic resources of the school district. An inventory control system shall be established for all tangible fixed assets owned or possessed by the board of education. The **finance officer** shall ensure that a physical account of fixed assets is taken on an annual basis.

DEFINITION OF FIXED ASSET

Fixed assets are items of tangible property, both real and personal, having a value of \$5000 or more and an estimated useful life of two years or more. Fixed assets are distinguishable from intangible property, such as money or securities, and consumable tangible property, such as office supplies.

CATEGORIES OF FIXED ASSETS

For the purposes of accounting for and taking an inventory of fixed assets, they shall be divided into the following categories:

1. Land -- **Real property** The legal right of the Board to own, possess, or use real property, including 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 Section 3 below) which 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.

RECORD KEEPING

The **finance officer** shall develop an appropriate record keeping and inventory system for the school district's fixed assets.

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

Cross References:

Adopted: July 23, 2007, Revised: