

IOWA PARK CONSOLIDATED ISD

PROCEDURES: FIXED ASSETS

Fixed Assets are defined as equipment, furniture, machinery, etc. with a unit value of \$5,000 or more. Note that the term *fixed* does not indicate the immobility of an asset.

Acquisition of Fixes Assets

All equipment, furniture, machinery, etc. in a building purchased with school district, activity, parent organizations funds, or by donation becomes the **property of the Iowa Park CISD**.

Fixed assets can be acquired by a school or department in the following ways:

- ❑ **Purchases through district or activity funds** – Items that are purchased through the district’s standard purchasing procedures.
- ❑ **Donations** – The principal/department head is responsible for reporting donations to the Business Office in writing. All donations of fixed assets shall be accepted on a case-by-case basis pending Superintendent approval.

Annual Reconciliation:

- ❑ The district’s auditors maintain the schedule of fixed assets and depreciation.
- ❑ Each year, the asset list will be updated for purchases and removals and provided to the auditors so that the list is current.

Fixed Asset Disposal:

Fixed assets will be disposed of on at least an annual basis after determination that the assets are obsolete or surplus (have no useful value to the district). The Superintendent shall approve the disposal of all assets, including the method of disposal, i.e. auction, garage sale, etc. No employee shall remove surplus or obsolete assets for personal use.

Use of Federally Funded Assets:

- ❑ All federally funded equipment shall be used, as long as needed, for the original grant project, whether or not the project continues to be federally funded.
- ❑ Assets shall be made available for other projects as long as the use does not interfere with the project under which it was originally acquired (it may be appropriate to split or share the costs of the equipment with other fund sources so that each program bears its fair share).
- ❑ When no longer needed for the original grant project, equipment may be used in other federally supported activities (if purchased with state funds, would be used in another state program).

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Disposal of Federally Funded Assets:

- When equipment is no longer needed for the original project or another federally funded project, Iowa Park CISD shall dispose of the equipment in the following manner:
 - Equipment with current fair market value of *less than \$5,000* may be retained, sold, or otherwise disposed of with no further obligations to TEA.
 - Equipment with current fair market value of *\$5,000 or more* may be retained or sold but TEA shall have right to the proceeds.
- TEA reserves the right to transfer title to another grantee for noncompliance or as needed after the project ends (regardless of how equipment is classified).
- At the conclusion of a local grant project, TEA may request a list of equipment purchased with grant funds. The grantee must request disposition instructions from TEA. For most TEA discretionary grants, if a local project is ending and the grantee no longer needs equipment purchased with grant funds, and if the equipment is relatively up-to-date and in good working order, TEA, at its discretion, may instruct the grantee to transfer the equipment to another viable grantee.
- Disposal of all federally funded assets shall be tracked in the fixed assets database, including a disposition date and method for audit purposes.