



NEBO SCHOOL DISTRICT BOARD OF EDUCATION POLICIES AND PROCEDURES

SECTION: D - Fiscal Management
POLICY TITLE: Asset Inventory
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1. PURPOSE AND PHILOSOPHY

Maintaining a complete and accurate listing of all District assets is critical to safeguarding those assets.

2. DEFINITIONS

- 2.1 References to “**schools**” indicate the school Principal or his/her designee.
- 2.2 References to “**departments**” indicate the District department Supervisor or his/her designee.
- 2.3 The Finance Department is under the direction of the Business Administrator. References to the “**Finance Department**” indicate the Business Administrator or his/her designee.
- 2.4 The Purchasing Department is under the direction of the Operations Director and the Operations Director acts as the Procurement Officer. References to the “**Purchasing Department**” indicate the Procurement Officer or his/her designee.
- 2.5 The Legal Department is under the direction of the District Legal Counsel. References to the “**Legal Department**” indicate the District Legal Counsel or his/her designee.
- 2.6 Assets to be inventoried are defined as follows:
 - 2.6.1 Furniture with a cost or value of Five Hundred Dollars (\$500) or more.
 - 2.6.2 Works of art with a cost or value of Five Hundred Dollars (\$500) or more.
 - 2.6.3 Equipment with a cost or value of Five Hundred Dollars (\$500) or more unless it falls into one of the categories below in which case the lower amount applies:

- 2.6.3.1** Computer and related equipment with a cost or value of Two Hundred Fifty Dollars (\$250) or more.
- 2.6.3.2** Musical instruments with a cost or value of Two Hundred Fifty Dollars (\$250) or more.
- 2.6.3.3** Power tools with a cost or value of Two Hundred Fifty Dollars (\$250) or more.
- 2.6.3.4** Small appliances such as mixers and blenders with a cost or value of Two Hundred Fifty Dollars (\$250) or more.
- 2.6.3.5** Electronic equipment such as media players, music players, televisions, camcorders, cameras, and fax machines with a cost or value of Two Hundred Fifty Dollars (\$250) or more.
- 2.6.4** Vehicle assets include all vehicles that require registration with the Utah Division of Motor Vehicles.
- 2.6.5** Land and water stock with a cost or value of Five Thousand Dollars (\$5,000) or more.
- 2.6.6** Buildings and building improvements with an estimated useful life in excess of two (2) years and a cost or value of One Hundred Thousand Dollars (\$100,000) or more.
- 2.6.7** Any other items at the request and discretion of the schools, departments, Finance Department, or Purchasing Department.

3. ASSET ACQUISITIONS

- 3.1** All asset acquisitions except those for vehicles, land, water stock, buildings, and building improvements made by or on behalf of schools or departments will adhere to the following:
 - 3.1.1** Assets will be tagged by the schools or departments benefiting from the assets using authorized numbered tags distributed by the Finance Department to indicate that the asset is the property of Nebo School District.
 - 3.1.2** Asset details will be added to the asset accounting system by the schools or departments benefiting from the assets. Details should include a complete description of the item including cost, date purchased, model number, serial number, location of the item, account number used to acquire the item, and asset tag number.
- 3.2** All vehicle asset acquisitions will adhere to the following:
 - 3.2.1** Asset details will be added by the Finance Department to the asset accounting system. The District assigned vehicle number will be used as the tag number in the asset accounting system. Details should include a complete description of the vehicle including cost, date of purchase, model year, model description, vehicle identification number, and account number used to acquire the vehicle.
 - 3.2.2** Vehicle details will be added to the District fleet inventory list by the Finance Department.
 - 3.2.3** The Finance Department will maintain all titles to vehicles and will be responsible for maintaining and renewing annual registration documents.

3.3 All land and water stock acquisitions will adhere to the following steps:

3.3.1 Asset details will be added to the asset accounting system by the Legal Department. Details should include a complete description of the land and/or water stock, cost, date of purchase, and the account number used to acquire the asset.

3.3.2 The Legal Department will maintain all deeds to land, water stock certificates, and other documentation evidencing the District's property and water rights.

3.4 All building and building improvement acquisitions will adhere to the following steps:

3.4.1 Asset details will be added to the asset accounting system by the Finance Department. Details should include a complete description of the building and/or building improvement, cost, date of purchase, and the account number used to acquire the asset.

3.4.2 The Legal Department will maintain all deeds to land and other documentation evidencing the District's property rights.

4. ASSET TRANSFERS

4.1 Schools and departments transferring assets should adhere to the following:

4.1.1 The receiving school or department will arrange for delivery of the assets.

4.1.2 The sending school or department will update the asset accounting system with the new school or department location for the assets when they are delivered to the receiving school or department. The receiving school or department will then update the asset accounting system with the room location for the assets.

5. ASSET DISPOSITIONS

Schools and departments desiring to dispose of an asset should complete Part A of the Asset Disposition Form and forward it to the Purchasing Department to determine whether the asset should be sold, assigned to another school or department, or discarded.

5.1 If the Purchasing Department determines that the asset(s) will be sold, the following steps will take place:

5.1.1 The Purchasing Department, or schools or departments with the approval of the Purchasing Department, will advertise the sale of the asset(s) for a period of not less than seven (7) days in publications or electronic forums as determined appropriate by the Purchasing Department.

5.1.2 The asset(s) will be sold to the highest bidder (including District employees) as long as that bid equals or exceeds the minimum acceptable price. If there are no qualifying bids, the Purchasing Department will determine if the highest bid will be accepted, the asset(s) will be advertised again, or the asset(s) will be discarded following Section 5.3.

5.1.3 Those involved in the sale of the asset(s) must provide the purchaser with a receipt, complete Part B of the Asset Disposition Form, and deliver a copy of the receipt(s), the completed Asset Disposition Form, and the sale proceeds to the Finance Department. A copy of the Asset Disposition Form must also be given to the school or department where the asset resided.

- 5.1.4 The school or department will update the asset accounting system to show the asset(s) as disposed.
- 5.2 If the Purchasing Department determines that the asset(s) will be assigned to another school or department, the steps in Section 4 will be followed.
- 5.3 If the Purchasing Department determines that the asset(s) should be discarded, the following steps will take place:
 - 5.3.1 The school or department will arrange for disposal of the asset(s). Preferred disposal will be to charitable organizations or in an environmentally-friendly manner.
 - 5.3.2 The school or department will complete Part D of the Asset Disposition Form and keep it with their asset records.
 - 5.3.3 The school or department will update the asset accounting system to show the asset(s) as disposed.

6. ASSET RECONCILIATION

Schools and departments should continuously update their inventory asset records to ensure accuracy. Assets should be reconciled to inventory records at least annually and schools and departments should complete the Annual Asset Reconciliation Form and submit it to the Finance Department by June 30th of each year along with a current asset inventory list.

- 6.1 To reconcile, schools and departments should do the following:
 - 6.1.1 Schools and departments will generate their asset inventory list from the asset accounting system and ensure that all items on the list are physically on the premises and all assets on the premises are on the list.
 - 6.1.1.1 If assets are located on the premises but are not on the inventory list, schools and departments should follow the requirements found in Section 3 to add those assets to the asset accounting system.
 - 6.1.1.2 If assets are listed on the inventory list but are not found on the premises, schools or departments should list those assets on the Annual Asset Reconciliation Form and update the asset accounting system to show the asset(s) as unable to be located. If the assets are subsequently located, the asset accounting system should be updated with the asset room location.

7. OVERSIGHT AND REVIEW

The Finance Department is assigned the responsibility to oversee accurate inventory of District assets and to promote and implement adequate safeguards over assets. Asset purchases may be made both with and without the involvement of the Purchasing Department, depending on the dollar amount of the purchase in accordance with Nebo School District Policy #DJB, Purchasing. Involvement of the Purchasing Department indicates that a requisition must be entered into the District accounting software program and must be approved by the Purchasing Department prior to the purchase being made.

- 7.1 Specifically, the Finance Department will perform the following oversight and review activities:
 - 7.1.1 Verify compliance with Section 3 above during periodic internal audits performed at schools for selected asset purchases made at the school level.

- 7.1.2 Verify compliance with Section 3 above for selected asset purchases made at the District level with or without the involvement of the Purchasing Department.
- 7.1.3 Review the Annual Asset Reconciliation Forms and related asset inventory lists submitted by schools and departments.
- 7.1.4 Generate an asset disposition report from the asset accounting system at least annually and verify compliance with Section 5 above for selected asset disposals.
- 7.1.5 Report any noncompliance issues observed to both the schools or departments and to their appropriate Director or Supervisor.

EXHIBITS

None

REFERENCES

Nebo School District Policy #DJB, Purchasing

FORMS

Nebo School District Asset Disposition Form
Nebo School District Annual Asset Reconciliation Form
