

## Fixed Assets Procedures for Federal Programs

The fixed assets system is designed to assist you with the role of documenting and tracking fixed assets, including acquisitions, retirements, transfers, vehicles, buses & school/building improvements. It is a very important accounting tool.

A fixed asset item is any non-consumable item costing \$1,000.00 or more, such as furniture, computers or any equipment. Cafeteria items are excluded. Any items that have a value of less than \$1,000.00 but you wish to tag for insurance and tracking purposes may be included in your inventory by sending a fixed asset inventory sheet (Appendix A). It is suggested that you tag all computers since a lot of our computers are now refurbished or less than \$1,000.00. (Items costing \$5,000.00 or more will be depreciated.)

Items (technology) purchased from the warehouse will be tagged before they leave the building. Please make sure that when you receive items in from the warehouse that they do have the Surry County Schools bar code attached. Please let the central office know if you receive any items without a bar code. It will be your responsibility to make sure items have bar codes when checked into your inventory.

Due to federal financial compliance requirements we need to change our procedures for tracking and disposing of federal fixed assets.

The process will follow the same guidelines as before with only a few changes:

- ◆ Fixed Asset inventory sheets will be sent from the central office each time an invoice is paid. This sheet will include a label, which reads, **“Purchased with Federal Funds”**. It is very important that both the bar code and the label be placed on the item purchased.
- ◆ It is also very important that when we are audited that the equipment purchased with federal funds is being used for federal programs. (Example: Computer purchased from Title I funds must be used in that program.)
- ◆ Each location must be able to identify where equipment is located. Please list a room number/location or a teacher’s name for each item. (The fixed asset inventory sheet has a section where this can be listed.)

## Instructions for Equipment Disposition

Federal fixed asset items **MAY NOT** be discarded, sold at auction or transferred without approval from the North Carolina Department of Public Instruction and central office.

- ◆ Equipment disposition form (FDP 212) must be completed and turned into the central office.

- ◆ This form must be completed per instructions attached to the form. Please follow these instructions on the form provided they are very specific and easy to follow.
- ◆ Once the form has been completed and returned to the central office the central office will have appropriate personnel sign. A cover letter with a brief explanation will also accompany the form. It then will be forwarded to the Monitoring and Compliance Section at NC DPI.
- ◆ A notification letter will be mailed of the approval disposition action and any further disposition instructions if necessary from NC DPI.
- ◆ Once we have obtained proper approval each location will be notified of the appropriate course of action.
- ◆ Please do not discard, transfer to another location including the warehouse until we have obtained prior approval.

**FEDERAL FIXED ASSETS MAY NOT BE TRANSFERRED; DISCARDED OR SOLD AT AUCTION BEFORE APPROVAL HAS BEEN OBTAINED FROM DPI AND THE CENTRAL OFFICE.**