

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 district. An inventory control system shall be established for all tangible fixed assets owned or possessed by the board of education. 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 a value of \$500 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.

**B. CATEGORIES OF FIXED ASSETS**

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

1. Land: Real property owned in fee simple, easements, rights-of-ways, leases and other interests in land.
2. Land Improvements: Permanent improvements (excluding buildings as defined in Section 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 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:

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