

# Hardin County Board of Education

Monitoring:  <b>Review: Annually, in January</b>	Descriptor Term:  <b>Property Management</b>	Descriptor Code: <b>2.704</b>	Issued Date: <b>08/04/08</b>
		Rescinds: <b>2.704</b>	Issued: <b>12/04/07</b>

1 The purpose of this policy is to provide guidelines for Hardin County regarding capital asset reporting in  
 2 the financial statements in accordance with Governmental Accounting Standards Board (GASB) State-  
 3 ment No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local  
 4 Governments, and establishes management control and continuing accountability for all capital assets  
 5 acquired by Hardin County.

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 7 Capitalized assets include land, buildings, land and building improvements, motor vehicles, machinery  
 8 and equipment infrastructure and construction in progress, and personal property with a predetermined  
 9 cost and useful life.

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 11 **ADMINISTRATIVE POLICIES**

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 13 *Departmental Property Coordinator*

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 15 The director of schools will be the designated person responsible for the custody and control of the Board  
 16 of Education property as the Departmental Property Coordinator as determined by the Property Manage-  
 17 ment Policies and Procedures Manual developed by the Hardin County Government.

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 19 The responsibilities of the Departmental Property Coordinator include:

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  - Coordinating and implementing the annual inventory for fixed assets.
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  - Reconciling and reporting differences between the annual inventory and the fixed asset listing per
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  - departmental records.
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  - Receiving and recording all purchases of fixed assets.
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  - Reporting and recording all fixed asset transfers.
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  - Reporting and recording all fixed assets declared scrap.
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  - Reporting and recording theft and other losses.
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  - Working with Finance Director to insure department fixed assets records agree with accounting
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  - records.

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 31 *Administrative Officials*

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 33 Responsibilities of administrative officials (department heads, principals, etc.) include:

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  - Designating individuals with the responsibility for custody and control of departmental/school
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  - property.
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  - Preparing and maintaining an updated inventory listing of capital assets, at least annually.
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  - Maintaining a listing of all assets below the capital asset threshold that are deemed non-major or
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  - sensitive equipment.
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  - Notifying the Budget/Finance Department of any new asset acquisitions not currently tagged and
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  - recorded in the database on a timely basis.

- Notifying the Budget/Finance Department of any assets declared surplus, destroyed, or missing on a timely basis.
- Reconcile and report differences between the capital asset inventory listing and actual physical inventory to the Budget/Finance Department.

### ***Board of Education***

Responsibilities of the Board of Education include:

- Determining and approving policies for capital asset management.
- Reviewing findings and recommendations related to internal and external audits.
- Ensuring deficiencies or non-compliance issues are addressed and resolved.

### ***Budget/Finance Department***

Responsibilities of the Budget/Finance Department include:

- Maintaining a computer database of all Board of Education owned assets that exceed the capitalization thresholds as outlined in the capitalization threshold schedule.
- Maintain documentation (invoices, purchase orders, bids, etc.) on all assets that exceed the capitalization threshold perpetually, until such assets are disposed of.
- Communicating with administrative officials to identify and tag any new capital assets or non-major equipment.
- Communicating with administrative officials to identify any retired assets and removing them from the database.
- Gathering annual inventories of capital assets from administrative officials and reconciling them to the existing database.
- Developing internal audit procedures to insure that departments/schools are complying with adopted capital asset policies.
- Reporting any discovered deficiencies and non-compliance issues to the director of schools.
- Insuring that the Board of Education's Capital Asset Reporting System is in compliance with GASB Statement 34.

## **CAPITOL ASSETS - DEFINITIONS**

**Land** - Unimproved real property.

**Land Improvements** - Improvements to real property that become part of a site, including parking lots, sidewalks, landscaping, fencing, etc.

**Buildings** - Structures built or placed upon real property.

**Building improvements** - Significant expenditures on existing buildings that extend the useful life and are not deemed maintenance or repair costs, including construction materials and components.

**Motor Vehicles** - Gasoline or diesel powered mobile equipment including cars, trucks, buses, and vans.

**Equipment** - All heavy machinery, power equipment, etc. that is not defined as personal property.

**Personal Property** – Tools, equipment, furniture, etc. that is designed to be used in a personal nature, such as power tools, office furniture and machines, etc.

**Depreciation Method** - All capital assets are depreciated on a straight-line basis over the useful life as defined in the capitalization threshold schedule. Depreciation starts in the month placed in service and continues until the asset is fully depreciated.

**Basis of Depreciation** – Basis for depreciation is original cost. If original cost is not available, estimated original cost will be used.

### CAPITALIZATION THRESHOLD SCHEDULE

	Threshold	Useful Life
1. Real Property - Land & Land Improvements		
a. Land	\$1.00	Non-Depreciable
b. Land improvements	\$5,000.00	20 years or life of note
2. Real Property - Buildings		
a. Buildings	\$10,000.00	25 years or life of note
b. Building Improvements	\$10,000.00	25 years or life of note
c. Construction in Progress	\$10,000.00	25 years or life of note
3. Motor Vehicles		
a. Cars/Light Trucks/Jeeps	\$10,000.00	5 years
b. Heavy Trucks	\$10,000.00	10 years
c. Buses	\$10,000.00	15 years
d. Vans	\$10,000.00	5 years
4. Equipment		
a. Machinery	\$10,000.00	5 years
b. Power Equipment	\$10,000.00	5 years

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5. Infrastructure

a. Roads - Per Mile

i. Asphalt	\$12,000.00	20 years
ii. Tar/Chip Gravel	\$12,000.00	8 years

b. Bridges - Per Box/Span

i. Concrete	\$30,000.00	30 years
ii. Timber	\$30,000.00	15 years

6. Personal Property

\$5,000.00	5 years
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