

Descriptor Term:  
FIXED ASSETS INVENTORY

Descriptor Code:  
8.3500

Legal References: G.S. 115C-36, -47, 115C-102.6A(c)(5), -523, -539

Cross References:

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 system. 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 \$1,000.00 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 and leases and other interests in land.
2. 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.
3. 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 system's fixed assets.

**D. GUIDELINES FOR MAINTENANCE OF FIXED ASSET RECORDS**

The following are the board's guidelines for the maintenance of fixed asset records:

1. Fixed assets should be capitalized only if they have an estimated useful life of at least two years following the date of acquisition.

2. Fixed assets' capitalization thresholds should be applied to individual fixed assets rather than to groups of fixed assets (e.g., desks, tables).
3. The capitalization threshold for any individual item will be \$5,000.