

(Approved 12-15-2016)

Policy 102: Physical Asset Policy

1. Purpose

The Executive Director, staff, faculty, and all assigned designees are responsible for tracking, monitoring, and safeguarding all inventory within St. George Academy. Tracking of all inventory will increase accountability and avoid potential loss, replacement, and displacement.

2. Policy

2.1. Inventory maintenance is to comply with government auditing standards to avoid penalty and reduction in state funding.

2.2. Only Academy-approved equipment and software may be used for the tracking and maintaining of inventory.

2.3. Inventory is not to be altered, removed, or destroyed without appropriate approval.

2.4. Inventory is not to be loaned or rented without appropriate approval.

2.5. Inventory purchased with categorical funds for special programs is not to be transferred outside the program area without approval.

2.6. Depreciable balances for all buildings and inventory are to be calculated and maintained according to GASB Statement #34.

2.7. A complete inventory of all classrooms and offices is to be done at the end of each school year to verify inventory accuracy. This is to include all fixed assets, textbooks, instructional supplies, etc.

3. Procedure

3.1. Definitions

3.1.1. Categorical funds means funds allocated from specific monies or grants only for use by designated specialized programs.

3.1.2. Depreciation means a method for allocation of the cost of buildings and equipment over time. Generally accepted accounting principles and federal regulations dictate that the value of capital assets must be written off as an expense over the life of the asset as an indirect cost.

3.1.3. Disposition means the final status of an asset (e.g., sale, scrap, donation, transfer to another school, etc.) when it is removed from the inventory of assets.

3.1.4. Fixed Asset (Capital Asset) means an item that is permanent in nature, having a life of at least two years, is tangible, and must work as an independent unit. These types of assets include moveable equipment, buildings, building components, land, and land improvements.

3.1.5. GASB #34 means the Government Accounting Standards Board Statement 34 that establishes new accounting and financial reporting standards for states, towns, villages, and special-purpose governments such as school districts and public utilities.

3.1.6. Gift-in-Kind means an item of tangible or intangible nature other than cash or securities. The gift can be something consumable or non-consumable.

3.1.7. Inventory means property, equipment, or materials owned, and its aggregated value.

3.1.8. Obsolescence means that an item is no longer useful.

3.1.9. Surplus means that an item is no longer needed by the department in which it was originally obtained.

3.1.10. Threshold Level means the monetary value beginning point assigned to inventory that will be tracked and maintained on an inventory system.

3.2. Inventory Management. Inventory personnel are responsible for the monitoring and safeguarding of inventory in accordance with the following guidelines:

3.2.1. Conduct required district inventory audits at all Academy facilities and offices.

3.2.2. Compile data from sources such as contracts, purchase orders, invoices, requisitions, and accounting records to maintain inventory records.

3.2.3. Compile and maintain inventory records as needed for tracking, auditing, and maintaining inventory.

3.2.4. Verify that all inventory purchased by schools and departments is processed according to procedure.

3.2.5. Complete required reports in accordance with district, state, and federal requirements.

3.2.6. Review files to determine recommendation for surplus, obsolete, and non-functioning inventory.

3.2.7. Update and maintain the a purchase order and inventory maintenance handbook.

3.2.8. Complete all inventory procedures in an expeditious and professional manner in accordance with policy and Utah state law.

3.7. Repair of Inventory and Facilities

3.7.1. Repair of all inventory and facilities are generally handled by the Academy or designated contractor.

3.8.2. Work orders are to be submitted to the Executive Director, Staff, or appropriate department personnel only.

3.8.3 The Custodial Department will be responsible for the repairs of roofing systems, parking lot asphalt, or items that pertain to the grounds.

3.8.5. The Director's office will make arrangements for repairs and assist in replacement, condemnation, and disposal of inventory.

3.9. Condemnation of Inventory

3.9.1. Only the Executive Director has been authorized to condemn inventory.

3.9.2. Reasons for condemnation of inventory are not limited to, but may include the following:

3.9.2.1. Repair parts are no longer available or cannot be made without difficulty, or the cost of repair exceeds the value of the item.

3.9.2.2. The item does not meet safety standards and cannot be upgraded, or the cost of the upgrade exceeds the value of the item.

3.9.2.3. The item has exceeded its useful life.

3.9.3. Donated items will not be condemned unless they have been listed as inventory for a period of one (1) year. Condemnation of these items will require a written statement from the Director identifying the need for condemnation.