

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 will be established for all tangible fixed assets owned or possessed by the board of education. The superintendent or finance officer 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 \$5000 or more and an estimated useful life of three 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 will be divided into the following categories.

1. Land: Real property owned in fee simple, easements, rights-of-way and 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. RECORDKEEPING**

The superintendent or finance officer shall develop an appropriate record keeping and inventory system for the school system's fixed assets.

Legal References: G.S. 58-31A-35; 115C-36, -47, -102.6A(c)(5), -529

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