

USFR CAPITAL ASSETS WEBINAR

Presented by
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June 14, 2011

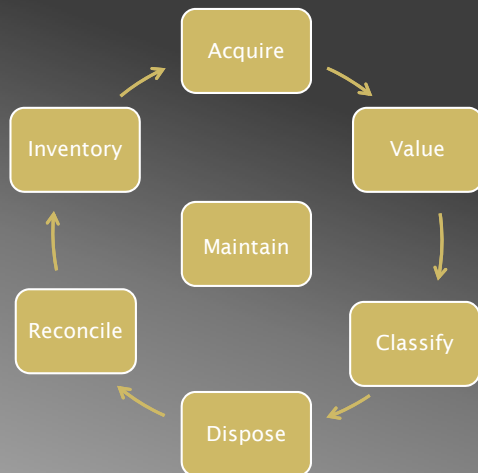


Property Control—Basics

- ❖ Central control
- ❖ Policies and procedures
- ❖ Safeguard
 - Adequate Insurance
- ❖ Complete & accurate lists



Asset Management Life Cycle



Acquire

- ❖ Purchase
- ❖ Lease-Purchase
- ❖ Trade
- ❖ Donation
- ❖ Construction



Acquire

Maintain appropriate supporting documentation

- ❖ Invoice
- ❖ Bill of Sale
- ❖ Contract
- ❖ Bond Documents



Retained for 3 years after disposal.



Acquire



Examples of possible tag locations



Value-Equipment



Include

- ❖ Invoice Cost
- ❖ Shipping fees/Freight
- ❖ Sales Tax
- ❖ Delivery
- ❖ Installation
- ❖ Assembly
- ❖ Testing
- ❖ Incidental



Value-Land

Include

- ❖ Legal, Title, Architect, Survey, etc.
- ❖ Appraisals
- ❖ Assumptions of liens & delinquent taxes
- ❖ Other closing costs
- ❖ Site preparation



Value-Building

Include

- ❖ Fees
 - Architectural
 - Engineering
 - Attorney's
- ❖ Building Permits
- ❖ Licenses



Value-Construction

Construction in Progress

- ❖ Invoices and costs accumulated during construction
- ❖ Total cost added to the capital asset list upon completion



Value

- ❖ Donated items
- ❖ Trade-in
- ❖ Leases
- ❖ E-Rate



Value

- ❖ Methods of valuing assets
 - Invoice
- ❖ If no invoice
 - Governing board minutes
 - Bond documents
 - Deeds, county records, bond documents
 - Newspaper archives
 - Vendor catalogs/price lists
 - Appraisals



Classify

Types of assets

- ❖ Land and Improvements
- ❖ Buildings and Improvements
- ❖ Equipment
 - Furniture and Equipment
 - Vehicles
 - Technology



Classify

Capital Assets List

- ❖ Land and Improvements
- ❖ Buildings and Improvements
- ❖ Equipment

Stewardship List

- ❖ Equipment



Classify

Capital Asset

Total cost
\$5,000 or
more

Stewardship Item

Total cost
\$1,000 to
\$5,000

May have lower Governing Board approved thresholds



Classify

Capital Assets List

- ❖ Location
- ❖ Identification number
- ❖ Description
- ❖ Method of acquisition
- ❖ Source of funding
- ❖ Month & year of acquisition
- ❖ Purchase document number
- ❖ Cost
- ❖ Federal:
 - Condition of asset
 - Percentage of federal participation
- ❖ Depreciation



Classify

Stewardship List

- ❖ Location
- ❖ Identification number
- ❖ Description
- ❖ Month and year of acquisition



Classify

To be depreciated a capital asset must:

- ❖ Be in use
- ❖ Have estimated useful life of 1 year
- ❖ Be subject to wear, decay or expiration
- ❖ Be Fully functional



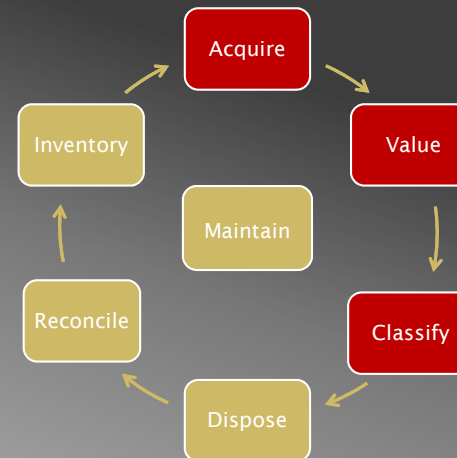
Classify

Information to calculate depreciation:

- ❖ In-service date
- ❖ Cost or acquisition value
- ❖ Salvage value
- ❖ Estimated useful life
- ❖ Depreciation method



Questions?



Reconcile

- ❖ Capital asset acquisitions to capital expenditures
- ❖ Previous fiscal year's June 30 capital assets and stewardship lists to the current fiscal year's June 30 lists
- ❖ USFR pages VI-E-13 and 14



Reconcile—Expenditures



Reconcile—Lists

2010
lists

+
Documentation
-

2011
lists



Physical Inventory

- ❖ All capital asset and stewardship equipment at least every 3 years
- ❖ Unit cost of \$5,000 or more purchased with federal monies at least every 2 years



Physical Inventory

- ❖ Planning
- ❖ Preparation
- ❖ Execution
- ❖ Resolve



Physical Inventory

Planning

- ❖ Timing
- ❖ Standard Procedures
- ❖ Records
- ❖ Personnel Needs



Physical Inventory

Preparation

- ❖ Records
- ❖ Written Instructions/Training
- ❖ Personnel Needs



Physical Inventory

_____ SCHOOL DISTRICT NO. ____

EQUIPMENT INVENTORY SHEET

Sheet No. (Prenumbered)

Inventory date _____, 20__

School: _____ Department: _____

Location: _____ Counted by _____

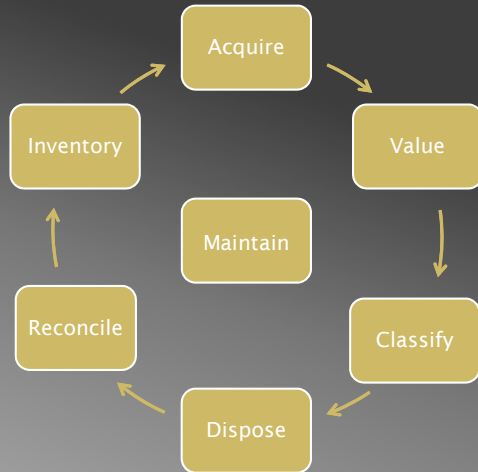
Examined by: _____

Tag No.	Serial No.	Description



USFR page VI-E-15

Asset Management Life Cycle



Questions



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Capital Asset Guidelines

- ❖ USFR
 - Accounting Procedures—Fixed Assets §VI-E
 - Memorandum No. 196
- ❖ District Policy and Procedures
- ❖ For Disposals
 - Arizona Revised Statute §15-342 (as amended by Laws 2011, Chap. 344)
 - AAC R7-2-1131

