

FIXED ASSET INVENTORY



**WHY
WHAT
WHERE
WHEN
WHO
HOW**



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Learning Objectives

- State reasons why a school district should perform a fixed asset inventory.
- State the definition of a fixed asset along with the difference between a capital threshold and inventory threshold.
- State where an inventory should occur.
- State when an inventory should occur (frequency of performing the inventory and period of time to complete).

Learning Objectives

- Identify entities that need inventories.
- Identify the best resource for performing the physical inventory.
- State Best Practices for performing an inventory.
- Identify methods for maintaining assets post-inventory.

WHY

is an Inventory Important?

Financial Reporting Accuracy



Financial Reporting Compliance



Excerpt from recent Missouri State Audit report:

Records and policies to account for district property were not adequate. District policies document procedures for property located at the school buildings; however, other district buildings and departments, facilities, vehicles, and equipment were excluded. As a result, some district assets were not accounted for and capital asset records were not complete.

Procedures had not been developed to identify capital asset purchases and dispositions throughout the year.

Capital asset records and annual inventories were not reviewed by district officials each year to ensure accuracy and completeness or to account for additions and dispositions.

School principals also did not adhere to the policies established for the disposition of district property. Schools recorded all dispositions in the transferred out section on their inventory; however, they did not indicate the date or method of disposal or if the item was transferred to another building.

The Board of Education should ensure complete and detailed capital asset records are maintained, assets are properly tagged for identification, and annual physical inventories are performed and compared to detailed records.

In addition, the Board should follow established policies and procedures when capital asset items are disposed of or moved to a different location.

Locate Missing Assets



**Identify
Surplus
Equipment**



**Accurate Insurance
Premiums**



Disaster Preparedness & Recovery



WHAT



IS TYPICALLY INVENTORIED?

ASSET CLASSES

- Information Technology
- Audio Visual Equipment
- Furniture & Fixtures
- Health & Fitness Equipment
- Industrial Arts Equipment
- Science Lab Equipment
- Kitchen Equipment
- Office Equipment
- Maintenance Equipment
- Musical Instruments

CONTROLLED ITEMS

- PCs
- Laptops
- Tablets
- Monitors
- Wireless Tablets
- LCD Projectors
- Televisions
- DVD Players

WHAT ABOUT THESE?



WHERE

Should an Inventory be Performed?

WHEN

Should an Inventory be Performed?

WHO'S

There are two Who's

WHO

Needs an Inventory?

WHO

Should perform the
Inventory?

HOW

Best Practices for insuring
an accurate inventory

Prior Planning is
Paramount

Determine Threshold

Determine Threshold

Determine Included/Excluded

Data To Collect

- Property Tag Number
- Description
- Building
- Room
- Manufacturer
- Model
- Serial Number
- Federal Fund
- Condition

Process

- Communications
- Checking in
- Floor Plans
- Access
- Timeframe
- Personnel (internal or outsourced)
- If outsourced - background
- Valuation
- Reconciliation

CONTINUED TRACKING

Managing Assets Going Forward

Process and Procedures?

- Do you have written policies and procedures?
- If so, who will enforce these?

Maintaining Ledger

- As items are received, moved, and disposed.
- System: Doesn't matter if it's a spreadsheet, paper, or asset tracking system – you still need to maintain the ledger.
- One line per item (except "grouped" items).

QUESTIONS?

For more information, please contact me.

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