

Fixed Assets

Fixed assets include land, buildings, furniture and equipment.

The District has two categories of fixed assets:

Capital Assets	-Cost \$5000 or more per unit (District's capitalization level)
	-Useful life of more than one year
	-Budget object codes 6614 through 6639
Controlled Assets	-Cost between \$500 and \$4999.99 per unit
	-Useful life of more than one year
	-Budget object codes 6395 and 6398

TAGS – A bar code label is assigned to items when a purchase order is paid. (Tags are generally sent to the ordering organization).

Items funded by federal grants are assigned an alpha/numeric bar code label with the letter "F" at the beginning and features a yellow border.

Items that meet the fixed asset criteria and that are acquired by donation are required to be tagged.

NOTIFICATION FORM – This form is sent with the purchase order copy and tags. It should be completed, including the serial number and sub-location (the department or class that will be responsible for the item), and returned to the Fixed Assets office.

TRANSFER AND DISPOSITION FORM – The revised four part NCR paper form is stocked in the warehouse. Use the form for the transfer/pickup of all fixed assets or to report lost and stolen items.

Any items acquired with federal grants (tags begin with the letter F and have a yellow border) require a separate NCR paper form. Send the form directly to the Federal Grants Accountant for approval of the request. The form will then be forwarded to the department handling the move.

Tech Services is responsible for transfers of computer related equipment. Send the NCR paper form to Tech Services – ASF.

For items not computer related send the NCR paper form to Central Distribution for transfer/pickup.

If stolen, the theft must be reported to the Alief ISD Police Department within 24 hours of discovery. As part of its investigation, the police department will complete a report and provide a case number. Documentation of the case number must be maintained for five years. An NCR paper form should be completed and sent to Fixed Assets for lost and stolen items.

TITLE - Pursuant to federal regulations, the District holds a *conditional title* for equipment purchased with federal funds unless a statute specifically authorizes a federal agency to vest title in the District without further obligation to the federal government. Title will vest in the District as long as:

- the District uses the equipment for the authorized purposes of the project until funding for the project ceases, or until the property is no longer needed for the purposes of the project
- the District does not encumber the property without approval of TEA or other awarding agency, and
- the District uses and disposes of the property in accordance with federal rules.

EQUIPMENT INSURANCE - The District insures equipment acquired or improved with federal funds at the same levels and in accordance with the same policies as provided to equipment purchased with state or local funds unless required to be insured by terms and conditions of the federal grant.

USE OF EQUIPMENT – Equipment funded by federal funds will be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the federal award. The District will not encumber the property without prior approval of TEA and the federal awarding agency.

When no longer needed for the original program or project, the originally federal funded equipment may be used in other activities supported by the federal awarding agency, in the following order of priority: (1) activities under a federal award from the federal awarding agency which funded the original program or project; then (2) activities under federal awards from other federal awarding agencies.

DISPOSITION OF EQUIPMENT – It is District’s practice to use fixed assets to the expected useful life and beyond.

Capital Outlay

In accordance with 2 CFR §200.313(e), when it is determined that original or replacement equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, the Federal Grants Accountant will contact the TEA or other awarding agency for disposition instructions.

Generally, disposition of equipment is dependent on its fair market value (FMV) at the time of disposition.

- An item that has a current FMV of **\$5,000 or less**, may be retained, sold, or otherwise disposed of with no further obligation to TEA or other federal awarding agency. However, District will still send the Inventory Disposition Request to TEA as required.
- If an item has a current FMV of **more than \$5,000**, TEA or other federal awarding agency is entitled to the federal share of the current market value or sales proceeds. Pursuant to the provisions in 2 CFR § 200.313(d)(5), the District uses procedures to ensure the highest possible return. TEA must approve the disposition.

If acquiring replacement equipment, the District may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

Disposition of equipment will be properly recorded in the fixed asset inventory.

Additionally, TEA's [General Provisions and Assurances](#) for all grants (state and federal) administered by TEA contain the following provision:

V. Capital Outlay: If the Contractor purchases capital outlay (furniture and/or equipment) to accomplish the objective(s) of the project, title will remain with the Contractor for the period of the Contract. The Agency reserves the right to transfer capital outlay items for Contract noncompliance during the Contract period or as needed after the ending date of the Contract. This provision applies to any and all furniture and/or equipment regardless of unit price and how the item is classified in the Contractor's accounting record.

Noncapital Outlay

If there is a residual inventory of unused noncapital outlay exceeding \$5,000 in total **aggregate** value upon termination or completion of the project or program, and the noncapital outlays are not needed for any other federal award, the District will compensate the federal government for its fair share in accordance with procedures established by TEA. The Federal Grants Accountant will contact the TEA or other awarding agency for disposition instructions of supplies. 2 CFR § 200.314

Auctions

District's Central Distribution conducts auctions at various times throughout the year. Federal Grants Accountant reviews District's Transfer and Disposition Forms and submits to TEA in advance via the Inventory Disposition Request, if applicable, based on previous auction results or internet searches. In addition, the Central Distribution Manager reviews the auction settlement report for items sold for \$5,000 or more, finds the fixed asset tag number and forwards the information to Accounting. An inquiry is made in the fixed assets system to determine the funding source for the items(s). If any item was funded with federal grants, the Federal Grants Accountant is notified.

All items from the Food Service Program and federal grants are in separate sections for auction. The proceeds are recorded as misc. local revenues in the Food Service Program or credited to respective federal grants as desired by the granting agencies.

**ALIEF INDEPENDENT SCHOOL DISTRICT
FIXED ASSET TRANSFER AND DISPOSITION FORM**

TRANSFER FROM: _____

Location/Building

Sub-Location

TRANSFER TO: _____

Location/Building

Sub-Location

Fixed Asset Transfer				For Disposal Only						
Quantity	Item Description/Brand/Model	Serial Number	District Tag No.	Property Disposal To the Warehouse or Tech Services			Removal from Fixed Assets			
				Broken	Worn-out	Fire	Obsolete	Vandalized	Theft	Other
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Instructions:

- Releasing party completes form with signature and retains originator copy
- Releasing party sends remaining copies to Warehouse
- Warehouse makes arrangements for transfer and transfers item
- Receiving party acknowledges receipt by signature and retains recipient copy
- Warehouse retains delivery copy and forwards fixed assets copy to Fixed Assets office
- Use separate form for Tag No. starting with "F"

Signature of Releasing Party

Date

Signature of Receiving Party

Date

Federal Funds Approval

Date

Fixed Assets-White Delivery-Yellow Recipient-Pink Originator-Gold