



Title: **Fixed Assets procedure**

Code: DID R

Section: Section D: Fiscal

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## I. **FIXED ASSET ADMINISTRATION**

Colorado Revised Statutes (CRS) 22-45-101(2), 22-45-112, 29-1-506(1) and generally accepted accounting principles (GAAP) require that certain records be maintained relating to the acquisition and disposition of fixed assets. Noncompliance with the steps described below is considered a violation of administrative policy.

### 1. Fixed Asset Addition

#### A. Purchases:

- i. Newly capitalized fixed assets include items purchased and items donated to schools or departments by external sources that meet the capitalization requirements of section B.

#### B. Capitalization-Capital Outlay

- i. Assets that meet the capitalization criteria shall be capitalized for accounting purposes and included in the Fixed Assets Accounts as required by GAAP. Capitalized fixed assets are land, buildings and equipment. Depreciation will be recorded in accordance with GAAP.
  1. Land. The land account includes all land purchased or otherwise acquired. Site improvements such as fencing, sidewalks, sprinklers, etc. and landscaping having a cost of \$10,000 or more will be capitalized and carried in the land improvements account.
  2. Buildings. The buildings account includes the value of all buildings at purchased price or construction cost. Additions and modifications to buildings (e.g. a new heating and ventilating system) or other permanently attached fixtures should be added to the building account when these costs are \$10,000 or more. Renovations that extend the useful life of the building, with a cost of \$10,000 or more will also be added to the building account. General repairs and remodeling do not extend the useful life of the building, therefore costs are not added to the building account.

3. Equipment. The equipment account should consist of property (vehicles, machinery, furniture, and equipment) that has a value of \$10,000 or more, does not lose its identity when removed from its location, is not permanently attached to a structure and is not changed materially or expended in use. This property should be recorded at cost, including freight, installation, training and other charges incurred to place the asset in use.

#### C. Non-Capitalized Equipment

- i. There are some equipment items that do not meet the criteria for capitalization (\$10,000 or more in value). These items have a value of \$500 to \$9,999 and are particularly susceptible to theft or loss. The following is a PARTIAL list of non-capitalized equipment that may be tagged and tracked in the fixed asset inventory records based upon the dollar amount stated above:

Audio Visual: Amplifiers, speakers, mics, receivers, players, projectors, recorders, cameras

Technology: Computers, copiers, faxes, monitors, printers, scanners, mobile digital devices

Communications: Smartphones, radios, telephone systems, public address systems

Classroom Equipment: Science labs, library, computers, projectors, interactive white boards

#### D. Financial Accounting Classification of Equipment

- i. As defined above, equipment with a value of \$10,000 or more will be capitalized and equipment with a value below \$10,000 will not be capitalized unless items are grouped and capitalized as one unit.
  1. Capitalized equipment - Purchases of capitalized equipment (\$10,000 or more in value, e.g. servers, phone systems, stage rigging, etc.) will be classified as an equipment capital outlay expenditure and included in the general fixed asset account group.
  2. Non-capitalized equipment - Purchases of non-capitalized equipment (below \$10,000 in value) will be classified as a supply expenditure and will not be included in the Fixed Asset Accounts.

E. Tagging

- i. All newly ordered equipment purchases will be delivered to the District warehouse, as appropriate, for tagging and shipment to the school/department unless prior approval for site shipment is obtained from the Chief Financial Officer (CFO) or designee.
- ii. Equipment tags, when applicable, should be attached to items as quickly as possible and in an area where the tags aren't likely to be removed but easily found and clearly visible. To further ensure the tag number identification of each piece of audio/visual (AV) equipment, it should be scribed with the AV tag number. The equipment should also be given a District brand if doing so will not cause damage below the surface. Therefore, a lasting record had been created.
- iii. If a new or donated piece of equipment is shipped directly to the school/department, site staff must call the department of business services for coordination of the asset tagging. Site staff will be responsible to ensure physical tagging and marking the equipment and communicating model and serial number to business services.

F. Asset Funding Sources:

- i. The funds used to purchase fixed assets will be identified in the fixed asset tracking system. For example, items purchased using federal monies will be identified as a federal asset in the fixed asset system; general fund purchases will be identified as general fund assets.

G. Donated Assets:

- i. Useful and needed assets donated to Academy District 20 are appreciated. The donor of these assets may request and receive documentation identifying the donation, stating only necessary information. Academy District 20 will not accept responsibility for determining fair market value of assets for tax purposes of the donor. However, the department of business services will establish the fair market value of the asset for capitalization purposes. A copy of the documentation identifying the donation will be given to the donor, the department of business services, and the school/department receiving the donated asset.

Donated assets will be carefully inspected for usefulness by appropriate District personnel; including information technology services for technology equipment or the facilities department and/or Executive Director for Operations for safety purposes. The donation of equipment to any District department, school or other activity which has an estimated fair market value equal to or greater than \$10,000 will be permitted only with the prior approval of the (CFO) or designee. The CFO will accept or reject the District's responsibility for maintaining the item to

be donated. Similar donations of less than \$10,000 may be accepted without such approval, but the principal must approve receipt of school site donations. Any donation, monetary or property acquisition, of digital resources requires prior approval from the Chief Information Officer (CIO) or designee. This applies to all grants, websites offering donations to classroom teachers, fundraisers and/or benefactors.

- ii. Hidden costs to the District (transport, setup, maintenance or repair) related to accepting an item shall be considered prior to donation acceptance and affected operating areas of the District shall approve prior to receipt of the item. The District maintains the right to refuse donated assets that may be too costly to maintain or operate or does not align with District standards for such assets or are deemed to be a safety risk.

## II. **FIXED ASSETS DISPOSAL**

School principals/department leaders are responsible for identifying those assets that should be retired and notifying the proper department leader (when applicable) and the department of business services. The following procedures should be used for asset retirement.

### A. Retirement of Usable Assets:

- i. Equipment purchases with an original cost between \$500 to \$9,999:  
Principals/department leaders will have the authority to review and inspect these assets to determine whether the asset should be retired. These assets should be processed through the Warehouse for disposition.
- ii. Fixed Assets with an original cost equal to or greater than \$10,000:  
Land and/or Buildings

By state statute, the Board of Education must approve disposal of all land and/or buildings. Portable and other temporary buildings do not require approval of the Board prior to disposal.

Equipment

The CFO or designee will review each request to dispose of equipment and inspect the asset with an original cost equal to or greater than \$10,000 to determine whether the asset should be retired and, if so, the appropriate method of retirement. The designee will make a recommendation to the CFO for disposal.

The Board of Education will be notified through the annual monitoring report of Executive Limitation Policy 2.5, Asset Protection.

iii. Fixed Assets originally purchased through Federal Grants:

Proceeds from the sale of a federal asset may be restricted. Prior approval from the granting organization must be obtained before selling or retiring an asset purchased with federal grant monies if the current, per-unit fair market value is equal to or greater than \$10,000. Approval from the department of business services is required if an asset of this type is going to be retired.

B. Retirement of Obsolete, Broken or Non-repairable Fixed Assets:

To remove obsolete, broken or non-repairable (includes too costly to repair) items from the inventory, the following procedures must be used:

- i. Principals or department leaders are to identify furniture, equipment or other fixed assets, which are beyond repair, or the repair cost is known to exceed the replacement value and the only value to the school system would be to use the item for service parts.
- ii. Obsolete items identified should be collected and disposed of by the site or may be sent to the warehouse for disposition.
- iii. These items should be detailed in writing. Once the form has been approved and signed by the warehouse for pickup, it will be sent to the department of business services for processing and adjustment of fixed asset records.
- iv. The warehouse has the authority to further divide the items listed into four categories:
  - a. Obsolete and dispose
  - b. Obsolete and use for spare parts
  - c. Retain for repair
  - d. Reassign to another location

C. Retirement of Missing or Stolen Fixed Assets:

If there are missing or stolen fixed assets, the following procedures should be used:

- i. Conduct a thorough search of the premises for the missing item(s).
- ii. Notify the Executive Director for Operations and security department of the missing or stolen asset and complete any requested or required documentation.
- iii. When assets are missing and there is no suspicion of theft, the department of business services must be provided the fixed asset disposition form (Exhibit FILE: DID-E-1). The principal/department leader must sign the form and the District fiscal officer must review and approve. Once the form has been approved, it will be sent to the department of business services for processing and adjustment of fixed asset records.

D. Retirement of Stolen Fixed Assets:

If any fixed asset is stolen, the following procedures should be followed:

- i. Conduct a thorough search of the premises for the missing item(s).
- ii. Review any sign-in/out logs for the equipment and interview the person to whom the item was assigned concerning the asset's whereabouts.
- iii. Notify the Executive Director for Operations, District security, file a police report and obtain a case number for any stolen equipment, then complete a loss/damage property claim.
- iv. The loss/damage property claim must be signed by the principal or department leader and approved by the risk manager. Once the form has been approved, it will be sent to the department of business services for processing and adjustment of fixed asset records. A copy of the report will be given to the school/administrative department and risk management.

E. Disposition of Retired Fixed Assets:

Asset Disposal Policy DID and DID-R governs disposal of all District land, buildings and equipment. Assets to be retired may or may not have salvage value. This will be determined by the person reviewing the request for retirement. Assets will be processed through the Warehouse for disposition.

1. Fixed Assets with salvage value:

- a. Fixed Assets (modular trailers, buildings, etc.) will have all infrastructure and technological components removed prior to auction.
- b. Fixed Assets with salvage value will be sold through sealed bid auctions. These auctions are to be scheduled as necessary based on volume. Representatives of the department of business services will supervise auctions. Notices of scheduled auctions will be placed with auction sites and other electronic sites.
- c. Fixed Asset(s) identified for auction must be inventoried and safeguarded until sold. Proceeds from the sale of these items will be revenue of the capital reserve fund or fund of original purchase as required by CRS 22-45-112. A report enumerating the asset(s)

sold and the proceeds from the sale will be prepared by the department of business services.

2. Fixed Assets with no salvage value:
  - a. If the District determines that assets are of no present or future value to any District location, the department of business services or designee may authorize the asset to be destroyed, donated, or thrown away.

### III. TRANSFER OF FIXED ASSETS TO OTHER LOCATIONS

Because the fixed asset system tracks items by location, it is essential that transfers of items be recorded. All transferred assets must follow the procedures listed below:

- A. A fixed asset disposition notice is to be completed before an asset is moved from one location to another. The principal or administrative department leader must approve the transfer. A copy of this notice should be sent to the receiving location and to the department of business services.
- B. The department of business services will adjust the fixed asset records accordingly, once the receiving school or department has verified the receipt of the transferred item.

### IV. INVENTORY

- A. Annual Inventory: An annual physical inventory for capitalized equipment (\$10,000 and above) may be completed according to CRS 29-1- 506(1). To maintain an accurate accounting of Academy District 20 assets, and comply with the law; an annual physical inventory of fixed assets may be taken. Schools and departments are responsible for ensuring that fixed asset records are complete and current. The procedure for the physical inventory is as follows:
  1. The dates of the annual physical inventory will be established by the department of business services. Instructions on accomplishing the inventory and a printout of current fixed asset data will be sent to principals and department leaders.
  2. Upon receipt of the printouts, the data presented should be updated and verified as follows:
    - a. check data on printouts, verifying the information such as tag number, serial number and description of each item listed;
    - b. validate whether the fixed asset is still in use and is in a usable state. (If not, should it be considered for retirement?);
    - c. correct errors, noting them directly on the printout;
    - d. add to the listing any assets which are present but do not appear on the printout, providing as much information as possible (serial number if available);

- e. notify the department of business services of any transfers or retirement of fixed assets not previously reported through a fixed asset disposition notice.
3. The adjusted copy of the printout should be signed by the principal/department leader and sent to the department of business services along with any pertinent forms, by the established due date. The use of signature stamps is not permitted.

**B. Perpetual Inventory:**

To ease the burden of the scheduled inventories, a perpetual inventory (updated continuously) should be maintained by each school/department. The department of business services should be notified promptly whenever an item is transferred, lost, stolen, or missing its tag, or whenever an adjustment to a school or department inventory is made (e.g. retirement). If this practice is continuously implemented, the scheduled inventory will be a routine matter and the fixed asset system will be more accurate.

**C. Additional Physical Inventory:** Several situations exist whereby an additional physical inventory should be conducted.

1. Immediately following burglary or vandalism:

After filing a police report and notifying risk management, a complete physical inventory of the suspected areas should be taken. In addition, personnel housed in surrounding areas should conduct a cursory inventory of their equipment.

2. During change of principal/department leader:

At the request of the superintendent or designee, principal support services group (PSSG), or department leader, an inventory (in addition to the regularly scheduled annual inventory) may be conducted by the incoming administrator to determine responsibility for the fixed assets at a particular location.

## **V. OFF-SITE USE OF DISTRICT ASSETS**

**A. District Business Use:**

Off-site use of District owned assets for District business use is allowed if there can be established a need for off-site use, and use is approved by principal/department leader (immediate supervisor for principal/department leader).

Assets taken off-site become the responsibility of the user/requestor. Lost, stolen and damaged assets shall be immediately reported to the individual's supervisor. The user/requestor assumes liability for the replacement value of the asset if the District is unable to recover the cost of the assets.

**B. Mobile Devices:**

Some mobile devices are assigned to staff members by an individual department. If a mobile device is not returned, its replacement value will be deducted from the staff member's final paycheck. If the staff member has received their final paycheck and the mobile device has not been returned, the individual will be billed for the replacement value of the mobile device.

**C. Personal Use:**

Personal use of District property or equipment for personal gain is a violation of the conflict-of-interest policy (GBEA Staff Ethics-Conflict of Interest).

**VI. AUDIT PROCEDURES**

The department of business services has the authority to audit fixed asset records at any time. Principals/department leaders should maintain asset records in a way that permits random spot-checks at each location. Irregular findings will be reported to the principal/department leader, and the CFO as deemed necessary by the department of business services.

**Adopted/Approved:** June 6, 1996

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July 24, 2023

October 10, 2025

**Legal Refs:**

C.R.S. 29-1-506 (1) (District must make an annual inventory of property items that equal or exceed established original costs)

Adopted: **June 06, 1996**  
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Attachments

[DID R-Fixed Assets procedure.pdf](#)