

Depreciating 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 shall be established for all tangible fixed assets owned or possessed by the board of education. The superintendent 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 corresponding to the capitalization matrix of the depreciable item. Fixed assets are distinguishable from intangible property, such as money or securities, and consumable tangible property, such as office supplies.

Item	Useful Life
Buildings	50 years
Improvements	10-25 years
Furnishings and fixtures	10 years
Automobiles	6 years
Equipment (non-computer)	5-10 years
Computer Equipment	3 years
Software	3 years
Library Books (if capitalized)	5-7 years

**B. CATEGORIES OF FIXED ASSETS**

For the purposes of accounting and inventorying fixed assets, they shall be divided into the following categories:

1. Land: Real property owned in fee simple, easements, rights-of-ways 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. RECORD KEEPING**

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

Legal References: G.S. 115C-36, -47, 115C-102.6A(c)(5), -523, -539

## Cross References:

Adopted: December 12, 2013 (retroactive to July 1, 2013, going into effect for Fiscal Year 2013/2014)