

Fixed Asset Definitions

The maintenance of accurate fixed asset records is the responsibility of the Fixed Assets Department. Only certain assets require Fixed Assets Department record keeping or inclusion in the master database. This database is fueled primarily by the centralized bar code labeling of new acquisitions as they are received at the District's Central Warehouse. The following are definitions of asset types:

Fixed Asset:

This is DPS property that is acquired for use by the District and centrally monitored by the Fixed Assets Department, regardless of fund or acquisition source, with a useful life greater than one year and meeting the following criteria:

- An original total cost of \$25k or greater for capital assets, except for Grants funded capital assets which start at \$5k or greater;
- \$500 or greater for expense assets;
- Technology equipment with a cost or value of \$500 or greater;
- All donated technology equipment meeting DoTS minimum standards;
- All other donated equipment meeting one or all of the above criteria; and
- All other equipment designated by appropriate individuals.

Capital Asset:

Include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Monitored Assets:

A monitored (expense) asset lasts longer than a year, but has a value of \$500 to \$24,999.99 that does not meet the capitalization threshold of fixed assets for financial statement reporting. Monitored assets are tracked because of the risk of theft or loss. Typically, they include technology, custodial and grounds-keeping equipment. Monitored assets are identified with a DPS bar code label and tracked over the asset's useful life. Accounting recommends coding all monitored assets to account 9735 (non-capital equipment) to isolate them for inventory purposes. For more information about Monitored Assets please contact the Fixed Asset Department.

Real Asset:

This can be defined as a fixed asset of a long-term nature that is held or used beyond one year, such as land, buildings, machinery, and certain types of fixtures.

Unmonitored Expensed Asset:

This is an asset with an original cost of less than \$500, (including ancillary cost) with a useful life of one year or more, excluding items that are required to be on the DPS network (i.e. iPads, Chromebooks). It is not tracked by the Fixed Assets Department and therefore not bar code labeled according to the criteria established by the fixed asset definition. It is typically referred to as a group asset and includes items such as furniture, office equipment, tables, chairs, etc. End-user departments most often track this type of asset.

Creation of a Fixed Asset Record:

The creation of a fixed asset record is the beginning of the central monitoring process for all DPS fixed assets. It is the joint responsibility of the Fixed Assets Department and each department or school to maintain accurate fixed assets records. The Fixed Assets Department will create the initial record in the database for every asset processed through Central Receiving.

Purchase requisitions initiate the centralized receiving process by generating purchase orders that, in turn, initiate vendor delivery of new acquisitions to the Central Warehouse and their subsequent bar code labeling, record entry in Oracle, and final delivery destination.

It is recommended that schools and departments keep a copy of fixed asset record documents (i.e. purchase orders, EAR's, invoices, Material Transfer Requests, etc.). These documents could be extremely beneficial in the event an asset cannot be located.

For a fixed asset management system to function most effectively, all users of that system must adhere to the prescribed property management procedures designed for that purpose. These management procedures are intended to effectively process and record the acquisition and movement of fixed assets. For DPS, these procedures guide all fixed asset activities including purchases, transfers, loans, retirements, records-keeping and district inventory.

The Fixed Assets Department manages this fixed asset management system with the Oracle database, supported by Central Warehouse receiving, bar code labeling, and fixed asset activity transaction forms and procedures.