

## 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 \$5,000 or greater
- Technology equipment with a cost or value of \$150 or greater
- All equipment designated by authorized personnel as "theft sensitive" with a cost or value or \$100 or greater
- All donated technology equipment meeting DoTS minimum standards
- All other donated equipment meeting one or all of the above criteria
- All other equipment designated by appropriate individuals

### **Capital Asset:**

This is a fixed asset with an original total cost of \$5000 or greater, including applicable ancillary costs and with a useful life of one year or more. It will be capitalized for financial accounting purposes. In addition, it will be identified by a DPS bar code label and tracked over the asset's life.

### **Monitored Expensed Asset:**

These is a fixed asset with an original cost of less than \$5000 but greater than \$150 (including ancillary costs) with a useful life of one year or more and designated by authorized personnel as "theft sensitive." It may include any asset classification, but typically includes technology, custodial and grounds-keeping equipment. It is identified with a DPS bar code label and tracked over of the fixed asset's useful life.

### **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 \$5000, (including ancillary cost) with a useful life of one year or more. 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 Lawson, and final delivery destination.

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

In order 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 Lawson database, supported by Central Warehouse receiving, bar code labeling, and fixed asset activity transaction forms and procedures.