Cornerstone Montessori Elementary School

Fixed Assets Operating Procedures

Fixed assets will be defined as tangible and intangible assets that have initial estimated useful lives that extend beyond a single reporting period.

All fixed assets will be recorded at historical cost as of the date acquired or constructed, or fair market value at date of gift if donated. If historical cost information is not available, assets will be recorded at estimated historical cost by calculating current replacement cost and deflating the cost using the appropriate price-level index.

The following minimum capitalization thresholds for capitalizing fixed assets:

Land and improvements $5000
Buildings and improvements $5000
Machinery/equipment/vehicles $5000

Detailed records will be maintained for all fixed assets equal to or above the established thresholds. Detailed records will maintain the following information:
- Assigned identification or serial number
- Funding Source - UFARS code
- Percentage of cost allocation by UFARS code – Identify Federal %
- Location of Item
- Title Holder
- Purpose/Description of item
- Physical inventory date
- Condition of item
- Disposal date
- Sale price
- Completion of Disposal form

School administration will assign an estimated useful life to all assets for the purposes of recording depreciation. Asset lives will be adjusted as necessary depending on the present condition and use of the asset and based on how long the asset is expected to meet current service demands. Adjustments should be properly documented. Depreciation will be recorded based on the straight line method using actual month convention and depreciated down to the assets salvage value.

All machinery and equipment, vehicles and furniture will be assigned an asset number and identified with a fixed asset tag. As fixed assets are purchased or disposed of, school administration or the responsible program authority will be responsible for preparing proper supporting documentation, which will then be forwarded to the School's business office to ensure proper recording into a software system/spreadsheet. A physical inventory will be taken annually on or about June 30 and compared to

the physical inventory records. The results will be forwarded to the business office, where appropriate adjustments will be made to the fixed asset records system.

Manner of Disposition

Depending on condition, technology, and use, deleted items may be offered for redistribution to other charter schools, offered for sale to the public or junked.

A "Deletion of Inventoried Equipment and Materials" form must be completed for disposal of items. (The form is located on the following page).

The Head of School will determine the disposal method and, if applicable, the process used for advertisement and public sale within the appropriate compliance requirements. Any sale exceeding the minimum amount for which bids are required must first be specifically authorized by the Board of Directors.   A follow up report will be provided to the Board.

Please refer to the following in conjunction with these fixed asset procedures:

A. Fixed Asset Policy
B. Disposal of Property Policy

APPROVED: August 13, 2019
REVIEWED: January 17, 2023
REVISED: May 20, 2025

Deletion of Inventoried Equipment & Materials
Submit this form to Head of School

Directions:

- This form is used to delete and dispose of inventoried equipment items surplus to the program needs.
- Attach a copy of this form on the item that is being deleted.

Part A – Completed by the program deleting the equipment

Program Name _____ Location _____

Contact Person _____ Telephone _____

Inventory Number _____ Budget Code: __-___-___-___-___-___

Item Description (include mfg & model)
_____
_____

Reason for deletion and condition of item
_____
_____

Disposal Recommendation: (Check One)

Trade-In _____   Attach this form to purchase requisition
Junked _____   Not usable
Surplus _____   Usable, has value
Other _____   Theft or missing, may require theft report

If the Item is a computer: Previous User
Staff Name   _____
Or   Student Use Only _____

Cleared of software licenses and any data left by previous user?   __ yes   __ no

Part B – Signatures

Preparer Signature _____

Date   _____