

**TITLE: MCS Governance Board Policy D-002: Fixed Asset Accountability**

**LEGAL REFERENCE:**

22-8-1 NMSA 1978

Public School Finance Act

**PURPOSE:**

The McCurdy Charter School (MCS) Governance Board recognizes the importance of maintaining accountability over assets, providing centralized documentation for insurance purposes, meeting financial reporting needs, and generating asset management information. A fixed asset system can be designed to: comply with all statutory requirements; gather information to prepare financial statements in accordance with generally accepted accounting principles; and increase control over those assets for which MCS has stewardship responsibility.

**POSITION:**

MCS shall maintain accountability over all tangible fixed assets having a life exceeding one year and costing \$5,000 (including tax) or more. MCS shall maintain asset records for the various departments/funds and shall verify such records by a physical inventory by each department at least once a year.

Assets in the system include all land, buildings, machinery and equipment valued at \$5,000 or more (including sales tax). Small tools and equipment or attractive items (cameras, radios, etc.) under \$5,000 will be maintained by each department in their own database and will be governed by a separate policy.

- A. The MCS Business Manager will establish a system for recording fixed assets and prepare guidelines for the annual inventory.
- B. The MCS Director shall assign a team to conduct a physical inventory of all assets to be included in the MCS fixed asset inventory.
- C. Each department/fund will notify the Office Manager of any additions, deletions, interdepartmental transfers, modifications, or leases of property that are not reflected on the preliminary list. Deletions from the inventory should include items that were scrapped, cannibalized, disappeared mysteriously, or damaged beyond salvage. The MCS Business Manager will ensure the appropriate changes are made to the department's/fund's fixed asset records.
- D. The MCS Business Manager will assign all inventory property a unique identification number which will follow the asset throughout its life in the MCS fixed asset system. Whenever feasible, each piece of property will be tagged or marked with the charter identification number on the upper right hand corner. Such markings will be removed or obliterated only when the item is sold, scrapped, cannibalized, or otherwise disposed of. Should the ID number be removed or defaced, the item shall be marked again with the original number (obtained from the inventory listing).

**REVIEW:**

This policy shall be reviewed in accordance with the MCS Governance Board Policy Review Process.

**RESPONSIBLE OFFICE:** MCS Business Manager

**DATE ADOPTED:** 071812

*Leborah Blount Anderson*  
Signature

7/18/12  
Date Signed

MCS Governance Board Chairperson

**RELATED DOCUMENTS:**

MCS Procedure D-002-1: Fixed Asset System

**REVISIONS:**

Date	Modification and why
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**MCS KEY WORDS OR RELATIONSHIP:** fixed asset, accountability