

PART 15

INVENTORY OF CAPITAL ASSETS

ADVANCE PAYMENTS

Compensation and any other payments for goods and services shall not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received shall be the personal obligation of the responsible official or employee.

PURCHASING BONUSES

Any compensation, premium, bonus, or product earned as a result of the purchase of goods or services by the charter school becomes the property of the charter school.

CAPITAL ASSETS

Every charter school must have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory must be recorded on the applicable Capital Assets Ledger. A complete inventory shall be taken for good internal control and for verifying account balances carried in the accounting records.

Land

The records of each charter school shall reflect land owned, its location, its acquisition date and the cost (purchase price). If the purchase price is not available, appraised value may be used.

Buildings

A capital asset account for buildings shall reflect the location of each building and the cost value (being the purchase or construction cost) and the cost of improvements, if applicable. If a building is acquired by gift, the account should reflect its appraised value at the time of acquisition.

Improvements Other Than Buildings

A capital asset account shall reflect the acquisition value of permanent improvements, other than buildings, which have been added to the land. Examples of such improvements are fences, retaining walls, sidewalks, gutters, tunnels and bridges. The improvements should be valued at the purchase or construction cost.

Equipment

Tangible property of a permanent nature (other than land, buildings and improvements) shall be inventoried. Examples include machinery, trucks, cars, furniture, typewriters, adding machines, calculators, bookkeeping machines, data processing equipment, desks, safes, cabinets, books, etc. The value of such items should be carried in the inventory at the purchase cost. The charter school should establish a capitalization policy that sets a dollar amount as a threshold to be used in determining which equipment items will be recorded.

Construction Work In Progress

Where construction work has not been completed in the current reporting calendar year, the cost of the project shall be carried as "construction work in progress." When the project is completed, it will be placed on the inventory applicable to the assigned asset accounts.

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