

 Meadows Arts and Technology Elementary School	Management of Charter Assets	
	Last Reviewed/Revised: 9/21/2015	Effective Date: 06/28/2010
Reference Number: BO-MCA-06112013	Original Author: MATES Board	Policy Status: Active

PURPOSE:

The Board of Directors (“Board”) of Meadows Arts and Technology Elementary School (“MATES”) is responsible for effectively managing and safeguarding the Charter’s assets and resources in order to maintain an accurate, efficient financial management system that enhances the Charter’s ability to meet its fiscal obligations, produce reliable financial reports, and complies with laws, regulations, policies, internal control procedures, and generally accepted accounting standards.

SCOPE:

This policy applies to all MATES Board members and employees and their actions related to the fiduciary responsibility of managing and safeguarding Charter assets. This policy establishes an appropriate capitalization threshold for Charter assets.

GENERAL POLICY STATEMENT:

The Board or designee(s) shall develop a system to accurately identify and value the Charter’s assets in order to help ensure financial accountability and to minimize the risk of loss or misuse of Charter assets. Unless otherwise dictated in this policy, Charter assets with a useful life of more than one year and an initial acquisition cost of at least \$5000 shall be considered capital assets. The Board or designee(s) shall determine the estimated useful life of each capital asset and shall calculate and report the estimated loss of value, or depreciation, during each accounting period for all capital assets.

POLICY DETAILS:

1. ASSET MANAGEMENT STANDARDS

1.1. In order to provide for the proper control, conservation, and identification of Charter assets, the Board or designee(s) shall maintain an inventory of capitalized assets (equipment) in accordance with law using the following standards:

1.1.1. All items with a useful life of more than one year (as determined by Procedure 430 of the California School Accounting Manual) with an initial acquisition cost of at least \$5000 shall be considered capital assets and shall be tracked as inventory.

1.1.1.1. Assets purchased with California Department of Education Public Charter Schools Grant Program (PCSGP) funding will be accounted for as an exception to this acquisition threshold. For these items the capital asset threshold will instead be \$5,000.

1.1.2. In addition, the Board or designee(s) may maintain a list of specific items which shall be inventoried for internal control purposes regardless of their initial cost or current value.

1.1.3. The inventory shall contain a record of the following information (Education Code 35168):

- 1.1.3.1. Name and description of the property (asset)
- 1.1.3.2. Identification number
- 1.1.3.3. Name of titleholder
- 1.1.3.4. Original cost of the item or a reasonable estimate if the original cost is unknown (i.e., donated)
- 1.1.3.5. Date of acquisition
- 1.1.3.6. Source of funding used to purchase asset
- 1.1.3.7. Use and condition of property
- 1.1.3.8. Estimated useful life as per GASB 34 (California School Accounting Manual, Procedure 430)
- 1.1.3.9. Location of use
- 1.1.3.10. The date and method of disposal
- 1.1.3.11. Sale price of property upon disposition and method used to determine fair market value
- 1.1.3.12. A copy of the inventory shall be kept at the Charter office and business office
- 1.1.4. The Board and designee(s) shall develop internal controls for safeguarding the assets, including assigning staff to take a physical count of the inventory at least once per year as per the California School Accounting Manual, Procedure 405).
- 1.1.5. The Board and designee(s) shall calculate and report the estimated loss of value (depreciation) of capital assets prior to closing the financial records for each fiscal year. The depreciation method shall be calculated using the straight line method of depreciation based on the asset's acquisition cost divided by the useful life of the asset.

NON-COMPLIANCE TO POLICY:

Violations of this policy may result in the Board Member or employee being subject to disciplinary action in accordance with Board disciplinary policy and administrative regulations.

GOVERNANCE:

The MATES Board will be responsible for monitoring adherence to the policy.

REVIEW CYCLE:

The MATES Board will be responsible for reviewing the policy every two years or more frequently as required.

REVISION HISTORY:

<u>Policy Version:</u>	<u>Effective Date:</u>	<u>Revision:</u>
BO-MCA-06282010	6/28/2010	Original Version
BO-MCA-06082011	6/8/2011	Addition of section 1.1.1.1 granting exception to capital asset dollar threshold for items purchased with PCSGP grant funding.
BO-MCA-06112013	6/11/2013	Change of initial value cost amount from \$500 to \$5000
BO-MCA-09212015	9/21/2015	Reviewed and modified in accordance with review every two year requirement.