

Section 700 Fixed Assets

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Section 701- Classification – Fixed Assets

All District property is classified into two categories:

Fixed Assets or Capital Assets - Tangible items having a useful life expectancy of at least two (2) years, are controllable, not consumed as a result of use, and have a unit cost of at least \$5,000. The value of the asset is depreciated over the useful life of the asset. Fixed assets are tracked in the school, SAP fixed asset ledger and TIPWEB-IT.

Low Value Assets or Controlled – Technology equipment with a cost of \$0 to \$4,999. These assets are also tracked in the school, SAP fixed asset ledger and TIPWEB-IT. All assets, regardless of funding source (activity funds, grants, etc.), are subject to the procedures in this section. Controlled assets must be secured and tracked due to the nature of the items. These assets are not capitalized assets, real property, nor improvements to real property or infrastructure.

Effective March 2016, Fixed Assets Accounting will only track capital assets with a unit cost greater than \$5,000 and all electronic/technology equipment regardless of the unit price.

Section 702 – Responsibility for Fixed Assets

Administrators are held responsible for all fixed assets at their location in accordance with this manual and Houston Independent School District (HISD) Board Policy. However, an administrator may designate an individual to serve in his or her absence in signing or receiving fixed asset documents. Such delegation of authority shall not relieve the administrator of such responsibility for any disappearance or improper use of the District's assets.

Upon receipt of any fixed assets, the administrator should ensure that:

1. TIPWEB-IT site transfer has been completed for any equipment transferred from another District department or location.
2. The equipment received should have a complete and proper description on the paperwork.
3. The equipment reflects no visual evidence of damage.
4. Proper security is maintained and adequate protection from the elements is afforded.
5. Equipment is set up correctly to guard against unnecessary hazards.

Official Use of HISD Equipment

HISD Equipment cannot be used for personal use by any employee. Personnel at individual locations will not dispose of fixed assets in any other manner than what is described in Section 700 of the Finance Procedures Manual.

Section 703 – Inventory of Fixed Assets

Annual Inventory

The administrator of each District location is required to prepare an annual inventory of the location's fixed assets. The administrator may delegate the inventory responsibilities as deemed necessary, to accurately complete the inventory within the allowable time limitations. The administrator shall exercise reasonable caution to assure that all physical areas of their schools or departments have been included in the inventory and the inventory has been made in accordance with the instructions given. The date of the inventory and audit instructions will be furnished to the schools and various departments by the District during the audit period. Inventory items must actually be observed and counted. The inventory should be completed in the TIPWEB-IT asset tracking system or as instructed by the Fixed Assets department.

Administrator Change Audit

It is the responsibility of the incoming administrator to verify the accuracy of a school's or department's current equipment inventory records prior to assuming responsibility of the location. Failure to comply shall not constitute a waiver of subsequent responsibility for losses which may have occurred prior to the incoming administrator's period of assignment. The administrator change audit will take the place of the annual inventory when conducted within the last three months of the annual inventory date.

Section 705 – Inventory Loss Procedures

After an administrator or designee has done a thorough search of their physical site for any missing inventory, the following records should be checked for possible explanation:

1. Electronic PC-2 forms (Prior to January 2016) or a copy of a transfer ticket from TIPWEB-IT which might indicate the asset(s) was transferred to another location.
2. All property loss/damage reports (see Section 712) filed which would indicate prior disposal of the asset.

Fixed Assets Accounting should be notified of any documents which explain missing inventory by sending a copy of the transfer ticket from TIPWEB-IT, Form PC-2, or property loss/damage report.

If proper documentation cannot be found to explain the loss, the Superintendent, designee or the Fixed Asset Inventory Committee must recommend what action should be taken. The following factors should be considered:

- a. Historical records of the administrator, campus or department in controlling fixed assets.
- b. Geographical location of campus/department.
- c. Recent construction activities or other unusual circumstances.
- d. Total original cost and depreciated value of missing items.

In view of the above factors, the superintendent, designee or the Fixed Asset Committee may require the responsible principal or administrator to:

- a. Reimburse the District for the value of missing items; and/or
- b. Formally reprimanded including a directive to be signed by responsible individual and notation on next evaluation.
- c. Present a report to the Fixed Asset Inventory Committee for further review and action (see Section 706).

For each lost item whose original total cost is less than \$5,000, the shortage item may be approved for write-off by the Assistant Controller. If an item is fully depreciated and the original cost is more than \$5,000 but less than \$10,000, the lost item may be approved for write-off by the Assistant Controller. If an item is not fully depreciated and the original cost is more than \$5,000, but less than \$10,000, the controller must be notified for recommended action. A lost item with an original cost exceeding \$10,000 will be forwarded to the Chief Financial Officer to present to the Fixed Asset Inventory Committee. The Fixed Asset Inventory Committee will review and recommend the appropriate course of action.

Section 706 – Fixed Asset Inventory Committee

Policy

HISD's Superintendent of Schools shall appoint a Fixed Asset Inventory Committee for the purpose of developing rules and regulations for the efficient operation, use, protection and disposal of properties belonging to the District. This committee shall meet as often as necessary to review and take action on any property-related matters.

Membership

Chief Financial Officer (CFO) or designee(s)
Chief School Officer (CSO) or designee(s)
Fixed Assets Manager or designee
Principal, Middle School
Principal, Secondary School
Principal, Elementary School
Administrator from Instruction
Administrator from Operations

Support personnel from the Fixed Assets Department will provide the committee with information and documentation concerning shortages and historical records of school losses.

Responsibility

1. To review the accounting and safekeeping procedures for District assets, evaluate their effectiveness and make recommendations for improvement.
2. To recommend appropriate disposal of those items which are of value but of no future use to the District, (see the following):
 - a. Sell at a predetermined price;
 - b. Sell at public auction;
 - c. Sell or trade-in by sealed or negotiated bids.
3. To make recommendations to the Superintendent of Schools for disposition of school and departmental inventory shortages (with original cost of \$10,000 or more), for the assessment of penalties for shortage found during the annual inventory, a principal change audit, a spot check audit, etc. Penalties assessed to the principal or administrator, in charge, may include but not be limited to:
 - a. formal reprimand via an evaluation.
 - b. reimbursement to the District for the value of items missing (the original cost less depreciation).
 - c. prosecution.
 - d. termination
 - e. other.

Section 707 – Acquisition of Fixed Assets

Regular District Purchase Order

Fixed Assets Accounting will create an asset shell in the Shopping Cart (SC). When the Goods Receipt (GR) posted, the asset shell will become an asset and transfer to TIPWeb-IT in the receiving location’s inventory which are purchased through District purchase order. The proper 66XXXXXXXX account must be used for the purchase of fixed assets.

The following types of electronic/ technology equipment, regardless of price, are required to have an asset tag:

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|------------------------------|---|
| Access Points (All types) | |
| Card Reader | Router |
| Copier Machine | Scanner |
| CPU/Desktop | Smart Board/Electronic Board |
| Document Camera | Sound Systems and Other Audio Equipment |
| Laptop | Switch |
| Point-of-Sale Kiosk/Terminal | Tablets - iPad and Convertible Tablets |
| Printer | TVs, Video Players/ Recorder (TV, DVD, Camcorder) |
| Projector | Uninterruptible Power Supply/Battery |
| Rack Mount Server | |

Unit Cost of \$0 to \$4,999		Unit Cost of \$5,000 or greater	
GL	Asset Types	GL	Asset Types
		6639020000	Furniture
6649010000	Technology Equipment	6639000000	Technology Equipment
6641000000	Vehicles	6631000000	Vehicles
6659000000	Lease Purchase	6659000000	Lease Purchase

Contact the Fixed Assets Accounting department immediately if any of the following occurs:

1. An asset is purchased using an account other than capital outlay (66XXXXXXXX)
2. Any items not showing on the respective inventory in SAP and TIPWeb-IT after the Goods Receipt had been posted.
3. A district department is purchasing assets on behalf of another school or location.

Donations

The recipient should provide the donor with the “**HISD Donation of Fixed Asset Form**”

- (1) The donor should complete the form.
- (2) The recipient must forward the form to Fixed Assets Accounting.
- (3) The form is the receipt for donor.

Trade-In

Trade-in of equipment will ONLY be allowed under one of the following procedures:

1. Competitive bidding through the Purchasing Department.
 2. Negotiated bids for items valued under \$1,000 as approved by the Fixed Assets Accounting Manager.
- When the traded-in of equipment has been approved on the purchase of new equipment, the transaction must clearly convey the intent. The purchase order (requisition) must describe the equipment traded in by make, model, serial number, ID tag number, and the amount given as credit for the trade-in.
- If the equipment to be traded-in was originally purchased with special revenue funds (federal-SR1), the project director must adhere to any special guidelines of the program for disposition. At a minimum, prior written approval is usually required by Texas Education Agency and any restrictions applicable to the equipment being replaced will apply to the new equipment as well. For additional information or clarification, see Section 1000 Special Revenue or call Fixed Assets Accounting.

Other Methods of Acquisition

Fixed Assets purchased by the activity fund or related private organizations must be reported by written memo to Fixed Assets Accounting. This memo should indicate the following:

1. Source of funds.
2. Date equipment received.
3. Quantity
4. Complete description of each item purchased including the manufacturer's model number and serial number.
5. Cost of each item purchased.

Section 708 – Movement of Fixed Assets

After initial purchase and delivery of fixed assets from the vendor, all subsequent movements of fixed assets should only be made by a District delivery truck. Fixed assets must not be transferred to any physical location unless a site transfer has been properly completed in TIPWEB-IT by the user at the school or department.

Occasionally, a special truck may be needed to move a fixed asset, or questions related to a scheduled delivery or pickup may arise. In either situations, contact the Furniture Services Department for assistance.

Movement of Fixed Assets by a Non-District Truck

In the event that a transfer of equipment must occur, by a means other than that described above, the Fixed Assets Accounting Department (1) should be notified in advance (2) a TIPWEB-IT site transfer should be completed and (3) the receiving transfer should be completed in TIPWEB-IT by school user.

Permanent Transfer of Fixed Assets

Transfers of fixed assets are normally classified into one of the following categories:

1. **Site to Site Transfer** – transfer from a school/department to another school/department. Site to Site Transfers automatically updates the inventory or location of the asset once the process is complete.
2. **Site to Site Transfer with Furniture Services assistance** - transfer from a school/department to another school/department and requires Furniture Services to pick up or deliver the equipment.
3. **Site to Warehouse** – transfer from a school/department to the Furniture Services Warehouse. Site to Warehouse Transfers automatically update the inventory or location of the asset once the process is complete. TIPWeb-IT automatically routes the transfer to Furniture Services to schedule the pick up or delivery.

Sending Location

The procedures to transfer a fixed asset to another location are as follows:

1. Obtain proper administrative approval to make a transfer between using locations. For items purchased from restrictive funds (SR1, FD1etc), a written approval must be obtained from the project director or administrator. The approval should be scanned and attached to the asset tag in TIPWeb-IT.
2. Initiate a site transfer in TIPWEB-IT, per the user manual instructions.
3. Site to Site Transfers that require a Furniture Services truck to complete the physical movement of the equipment MUST send an email with the TIPWeb-IT Transfer number to: TipwebTransferRequest@houstonisd.org
4. Print a copy of transfer ticket

Receiving Location

Upon receipt of items transferred to a location, the receiving location should:

1. Confirm that the transfer ticket in TIPWEB-IT is properly completed and items were delivered to the correct location.
2. Receive the inventory transfer in TIPWEB-IT per the user manual instructions.
3. Verify the equipment listed on the Transfer ticket is the same as items actually delivered, in both description and quantity. Any discrepancies are noted on the Transfer ticket and the items.
4. Verify that the truck driver has signed the Transfer ticket copy.
5. Sign the "Signature of Recipient" on the Transfer ticket copy.

Section 709 – Movement of Transportable Building

The movement of a temporary or transportable building off the campus site on which it is presently located constitutes a permanent transfer. When this is scheduled to occur, the releasing school should promptly proceed as follows:

1. Inventory the building in its entirety including the window air conditioner units. The window air conditioner units must remain in the building.
2. No building to be relocated should contain any trash, broken furniture, or unusable material of any kind.
3. Each classroom to be relocated should contain approximately 30 student desks and one teacher desk and chair, all of which are in usable condition. This requirement is dependent upon the availability of the furniture items indicated above. Any items in excess of the above requirement should be retained at their leasing school and may be subsequently transferred to the furniture services if desired.
4. A site transfer should be initiated in TIPWeb-IT to the appropriate destination.
5. A transfer ticket through TIPWEB-IT should be prepared indicating the furniture and equipment contents of the building being transferred, and the destination should be indicated on the form.

Section 711 – Tagging of Fixed Assets

Identification Tag

Schools and departments are responsible for printing tags using the ‘print tag’ feature in the TIPWEB-IT asset tracking system. These tags should be placed on the asset when the asset is received. The tag number should then be scanned into TIPWEB-IT using a barcode scanner. If applicable, the serial number should also be scanned into the TIPWEB-IT system.

The above process does not apply for e-rate assets. E-rate assets are tagged by the vendor, and arrive at a school already tagged with the applicable information already entered into the TIPWEB-IT asset tracking system.

Section 712 – Reporting Incidents of Property Loss and Damage

The administrator shall report by telephone to the School Improvement Officer (SIO) and HISD Police Department each incident of property loss or damage as quickly as possible following the loss.

In addition, the administrator shall submit within thirty days a written report of the incident using the Property Loss/Damage Report. The report should be filled out in complete detail and in accordance with the instructions. When completed, the report should be sent to Fixed Assets Accounting which shall be responsible for distribution of copies.

This report is not to be used for reporting equipment losses discovered solely by the annual inventory or administrator change audit.

NOTE:

1. Mysterious Disappearance is defined as an incident of equipment loss wherein no evidence of forced entry is apparent. Mysterious Disappearance does not include those losses discovered by a routine annual inventory.
2. Only the administrator is authorized to sign the report except as approved by a direct report to the Superintendent.
3. Equipment recovered by the police may not be legally returned to the District unless the theft has been previously reported to the police with equipment properly described, including make, model, and manufacturer's serial number. Thus, it is important to promptly notify the police of any theft.

Section 713 – Vehicles

All vehicle titles (other than vehicles cannibalized for parts) must be made in the District's name, maintained by Fixed Assets Accounting, and listed on the user department's inventory records. The Fixed Assets Accounting Department should be promptly notified, by the appropriate administrator, of any changes in vehicle status.

All vehicles will be assigned a fleet number by Fixed Assets Accounting Department. This number will remain as the official number as long as the vehicle remains District property.

New Vehicles

All new vehicles will be received and processed through the Transportation Vehicle Management Department at 228 McCarty Drive. The Certificate of Origin and a copy of the invoice showing the purchase order number must be furnished with delivery of the new vehicle. Transportation Vehicle Management Department shall submit the application for vehicle title and exempt license plates. Fixed Assets Accounting Department must be receiving the original title from Texas Department of Motor Vehicles.

Trade-In or Auction

The using department is responsible for the removal of HISD emblems and license plates from all trade-ins. The license plates are to be given to the Transportation Vehicle Management Department to be forwarded to Fixed Assets Accounting for cancellation. Upon receipt of proper authorization, titles will be released to the new owner by Fixed Assets Accounting. Please notify the Fixed Assets Accounting Department in advance so that paperwork can be completed before the new owner arrives to pick up the released title.

Lost, Stolen, or Mutilated License Plates

The using department should send a memo to Transportation department along with an affidavit requesting new license plates. Transportation department will notify Fixed Asset Accounting of the update license plate. In cases where one plate is lost, send the other plate along with the request. A new set of plates will be obtained from Texas Department of Transportation by Transportation department.

Insurance

The Fixed Assets Accounting Department will notify the Risk Management Department of all changes in vehicle status. The Risk Management Department will place and maintain proper insurance coverage on each district vehicle during the period of district ownership.

Section 714 – Disposal of Fixed Assets or Scrap Material

Equipment considered as surplus and/or unfit for further economical usage (including scrap material) may be transferred to the Furniture Services department for temporary storage or for ultimate disposition. Before such transfer can occur, arrangements must be made with the Furniture Warehouse personnel regarding the availability of space and trucking facilities.

When items purchased wholly, or in part, with federal funds are no longer serviceable or required by the district, the project director must adhere to any special guidelines of the program for disposition. Equipment may be sold or traded only under one of the following conditions:

1. Competitive bidding through the Purchasing Department.
2. Negotiated bid for items valued under \$1,000 as approved by the Manager for Fixed Assets Accounting.
3. Public auction or a predetermined price set by the Inventory Committee.

Every effort should be made to determine if a need for the equipment exists anywhere in the District before a sale or trade-in is allowed.

Equipment cannot be sold by the school, used for the personal use of any employee, or disposed of in any other manner than described herein. Refer to section 707 for trade in of equipment.

Section 720 – TIPWEB-IT Site Transfer

A TIPWEB- IT Site Transfer must be completed for the movement of all equipment, furniture and vehicles from one campus or department location to another.

TIPWEB- IT Site Transfer

TIPWEB-IT access is required for site transfers. Authorization is granted after successful completion of the TIPWEB- IT end user training and written approval from the location's administrator.

Authorized users should refer to the TIPWEB-IT manual for detailed steps to complete a transfer.

Site to Site Transfers that require Furniture Services truck to complete the physical movement of the equipment, MUST send an email with the TIPWEB-IT Transfer number to:

TipwebTransferRequest@houstonisd.org for pickup and delivery date.

Section 721 – TIPWEB-IT

TIPWEB-IT is the system used to track the movement of all HISD controllable assets. Fixed Assets Accounting is the system administrator for TIPWEB-IT. All district locations are required to have a minimum of 3 current authorized users.

TIPWEB- IT access is granted to personnel that have (1) successfully completed the TIPWEB-IT training course (2) has obtained written or electronic approval from the respective location administrator.

For more information on TIPWEB-IT access, course registration, or troubleshooting, please contact the Fixed Assets Accounting Department at (713) 556- 6506 or fixedassetsaccounting@houstonisd.org