

SCOTLAND COUNTY SCHOOLS  
INTERNAL CONTROL NARRATIVE  
PROPERTY AND EQUIPMENT  
JUNE 30, 2018

**NOTE: the control narrative below was prepared based on discussions with Susan Harrison, Finance Officer.**

**GOVERNMENTAL ACTIVITIES:**

- Fixed asset purchases are made in accordance with the controls documented in the general disbursements transaction flow narrative at the 35 series.
- Asset purchases in excess of the Board's capitalization threshold of \$5,000 are coded to a capitalized asset object code (5xx). The district uses K-12 system to record fixed assets.
- Asset purchases that are between \$500 and \$5,000 are coded to an inventoried equipment object code (46x) used for assets that are inventoried. These inventoried assets are tracked at the individual school level.
- The AP Clerk maintains all computer records relating to fixed assets.
- The AP Clerk makes sure a "Fixed Asset Inventory of Property" form is completed for all fixed asset additions or disposals
- The applicable department head or Principal is responsible for making sure all new assets are properly tagged
- The AP Clerk reconciles all fixed asset reports at year end.

**NOTE: the control narrative below was prepared based on discussions with Anita Starling, Asst. CN Director**

**CHILD NUTRITION FUND:**

- The fixed assets are recorded on the general ledger as paid.
- The CN Supervisor then keys the fixed asset into the system's fixed asset system
- The CN records depreciation expense on an annual basis.