Facilities Utilization & Capital Assets

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Facilities Utilization

FACILITY UTILIZATION - IMPACT

- Scheduling Events
- Coordinating Events
- Building Use Applications
- Proof of Insurance
- Staff Assignments
- Safety & Security
- Who is in Charge?
  - District
  - Organization

Accountability

- Building Utilization
  - Centralized
  - Decentralized
- Systems Processes
- Financial Accountability
- Collaboration
  - Leadership
  - Principals
  - Staff
- Event Supervision

COST RECOVERY

- Facility Utilization -Cost Recovery
  - Staffing (Administration, Custodial, IT, Food Service)
  - Utilities
  - Supplies/Equipment
  - Wear and Tear

Cost Recovery for Use of Schools

BENCHMARKING

- Benchmarking
  - Comparison to peers
  - Comparison of fee schedules

- Key Performance Indicators (KPIs)
  - Data collection to measure the financial impact on the district

HOW DO YOU COMPARE TO YOUR PEERS?

- Enrollment
- Number of FTEs
- Geography

EXAMPLES OF COSTS

Event Cost

- Staff time
  - District and building (scheduling, coordination, approvals, and cost recovery)
- Wear/tear/repair
- Custodial costs
- Energy costs
- IT costs

School District
Estimated Costs for Facility Rental / Facility Usage / Non Standard Events

Estimates	
Costs Recovered (Invoiced & Collected) Annually	$ 120,000
Number of Students	8,000
Number of Events per student per year	1.00
Number of Events per year	8,000
Administrative Staff Time per event (minutes)	30
Custodial Time per event (minutes)	60
Energy Costs per student/per year	$ 150
M&O Costs per student/per year	$ 250
Energy Increase, related to events	10.0%
M&O Increase/Wear & Tear, related to events	1.5%

Staff Time (hours) per year	4,000	hrs @	$ 25	=	$	100,000
Custodial Time (hours) per year	8,000	hrs @	$ 25	=	$	200,000
Total Energy Cost per year	$ 1,200,000	@	10.0%	=	$	120,000
Total M&O per year	$ 2,000,000	@	1.5%	=	$	30,000

Results	
Staff Time	$ 100,000
Custodial	$ 200,000
Energy	$ 120,000
M&O / Wear & Tear	$ 30,000
Estimated Cost of Events	**$ 450,000**

Estimated Cost of Events: $ 56 per student

FACILITY USE - COST STATEMENT

$56/Student /Year!

Annual Cost Recovery	Per Student	Amount Recovered	Recovery/ (Deficit)
Estimated Amount Invoiced & Collected	$ 15.00	$ 120,000	$ (330,000)
Average of Schools Sampled	$ 18.77	$ 150,160	$ (299,840)
Top 20% of Schools Sampled	$ 29.97	$ 239,760	$ (210,240)
Break Even / Costs Recovered	$ 56.25	$ 450,000	$ -

COMMUNICATING THE DATA AND VALUE

- Goodwill
  - Community pays taxes for access to the facility

- Transparency
  - Knowledge is key

Community Use

FEE SCHEDULES

- Types of Groups
  - Internal School Groups
  - Booster Groups/PTA
  - Non-Profits
  - Commercial
- Types of Facilities
  - Gym, classroom, auditorium, kitchen, etc.
- Types of Equipment
  - AV, Kitchen, etc.)
- Personnel
  - Custodial, IT, etc.)

POLICIES

- Rental Payments & Cancellations
- Rental Provisions
- Compliance (Rules & Regulations)
- IT/Mechanical/Electrical Systems
- Food & Beverage
- Kitchen Oversight
- Insurance, Hold Harmless, Indemnification
- Prohibited Activities

RENTAL TYPES

- Charges & Properties for Use
  - Category 1: Student Groups
  - Category 2: Community Groups
  - Category 3: Private, Nonprofit Groups
  - Category 4: Commercial Use

Capital Assets

CAPITAL ASSETS DEFINED

- Tangible & Intangible Assets
  - Buildings & Facilities
  - Land
  - Equipment
  - Vehicles
  - Infrastructure
  - Technology
  - Furniture
  - Playground and Sports Equipment

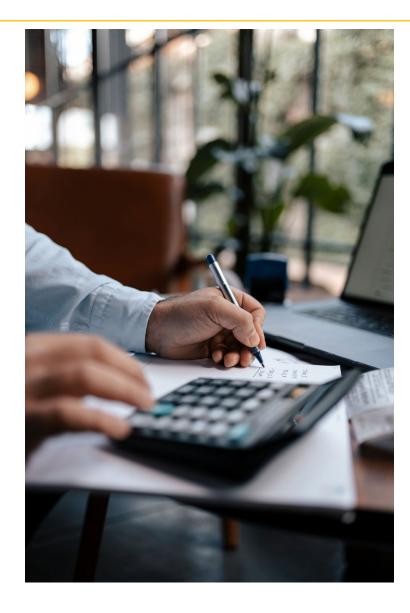# TYPES OF ASSETS IN SCHOOL DISTRICTS

- Land & Land Improvements
- Infrastructure
- Buildings & Building Improvements
- Furniture, Fixtures & Equipment
- Art & Historical Artifacts
- Construction in Progress

WHY TRACK FIXED ASSETS?

- Accountability

- Maintenance

- Replacement Budgeting

- Insurance

- Cost Recovery

- Financial Reporting

CAPITALIZATION THRESHOLDS

- Tracking Assets
  - Capitalized assets
  - Computers
  - Tools
- Insurance Purposes
  - Grouping of Items ($100 to $500)
- Financial Reporting Purposes
  - What is material (e.g. $5,000)
  - Capitalization threshold ($500 - $1,500)

CAPITAL ASSET TRACKING SYSTEM

- What to track
  - Date of Purchase
  - Original Price (Cost)
  - Estimated Useful Life
  - Salvage Value
  - Cost of Disposing of Assets
  - Asset Description
  - Model and Serial Number
  - Inventory Tag Number
  - Physical Location

STANDARD ACCOUNTABILITY PROCEDURES

- Standard Procedures
  - Purchase Authorization
    - Purchase Order, bid, etc.
  - Receipt Verification
  - Payment (Invoice)
  - Fixed Asset System Entry
  - Securing/Protecting Assets
  - Disposing of Assets
    - Policy, auction, etc.

CAPTIAL ASSET - VALUATION

- Typically valued at Cost
  - Purchase records (Purchase order, invoice, bill of sale, etc.)
  - Outside appraisal
  - Donations (Establish value)
- Costs to include in valuation
  - Invoice and and transaction cost
  - Site preparation fees, installation cost (labor and related cost)
  - Freight charges, if applicable

DEPRECIATION METHOD

- Depreciation
  - Allocation of cost over useful life.
  - Most assets lose value
  - Land does not
- Depreciation reduces book value in financial statements
- Depreciation is useful in determining replacement and renovation schedules.
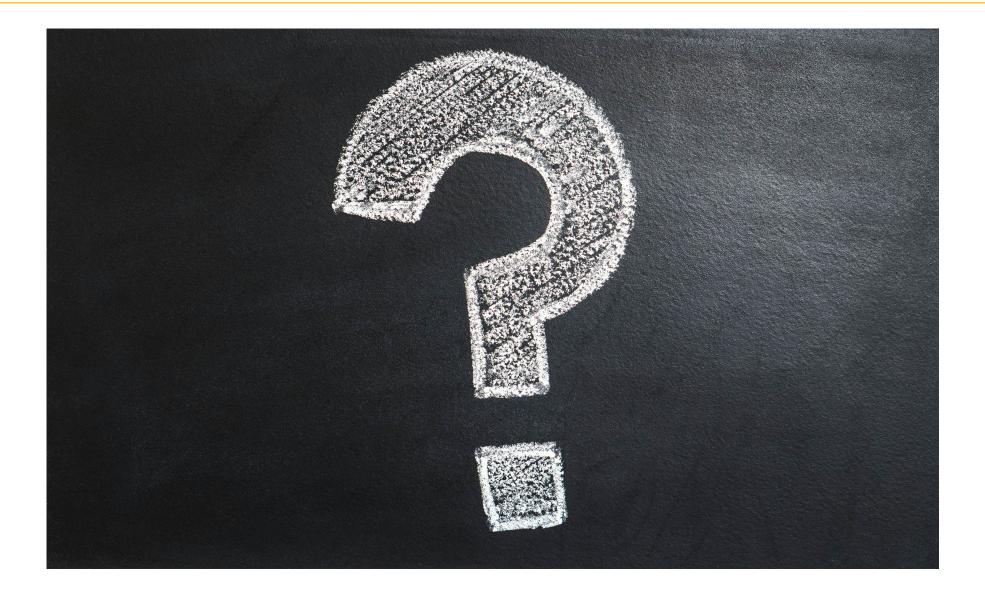
PUBLIC TRUST

Protecting District Assets – Who is Responsible?

- School Business Officials

- Superintendent; Principals; Directors/Coordinators

- All Other Employees

  - Teachers

  - All Other Certified Employees

  - All Classified Employees

QUESTIONS

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