

## **DEVELOPMENT AND MAINTENANCE OF AN INVENTORY OF FIXED ASSETS AND A FIXED ASSET ACCOUNTING SYSTEM**

### **I. PURPOSE**

The purpose of this policy is to provide for the development and maintenance of an inventory of the fixed assets of the school district and the establishment and maintenance of a fixed asset accounting system.

### **II. GENERAL STATEMENT OF PROCEDURE**

The policy of the school district is that a fixed asset accounting system and an inventory of fixed assets be developed and maintained.

### **III. DEVELOPMENT OF INVENTORY AND ACCOUNTING SYSTEM**

A. The superintendent or such other school official as designated by the superintendent or the school board shall be responsible for the development and maintenance of an inventory of the fixed assets of the school district and for the establishment and maintenance of a formal fixed asset accounting system. The accounting system shall be operated in compliance with the applicable provisions of the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS). In addition, the inventory shall specify the location of all continued abstracts showing the conveyance of the property to the school district; certificates of title showing title to the property in the school district; title insurance policies; surveys; and other property records relating to the real property of the school district.

#### **B. Capital Asset Additions**

Capital asset additions shall be recorded in accordance with generally accepted government accounting standards. Assets shall be capitalized using a threshold of \$5,000 or more per single item and having a useful life of more than one year. For those capital assets less than \$5,000 per single item, but more than \$50,000 in the aggregate and having a useful life of more than one year, shall also be capitalized. Capital assets are recorded at historical cost, which includes all costs necessary to place the asset in service. Donated capital assets will be recorded at estimated market value at time of donation.

### **IV. REPORT**

The administration shall annually update the property records of the school district and provide an inventory of the fixed assets of the school district to the school board.

***Legal References:*** Minn. Stat. § 123B.02 (General Powers of Independent School Districts)  
Minn. Stat. § 123B.09 (Boards of Independent School Districts)  
Minn. Stat. § 123B.51 (Schoolhouse and Sites; Uses for School and Nonschool Purposes; Closings)

***Cross References:*** MSBA/MASA Model Policy 702 (Accounting)  
GASB Implementation Guide No. 2021-1 Amending Capitalization Requirements