

## **Non-Instructional Operations and Business Services**

### **Development and Maintenance of an Inventory of Fixed Assets and a Fixed Asset Accounting System**

#### I. Purpose

This policy provides 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 Policy

The school district will have a fixed asset accounting system and an established inventory of fixed assets to be developed and maintained.

#### III. Definitions

A. "Fixed assets" or "capital assets" are defined as land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, technology hardware, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations, and that have initial useful lives extending beyond a single reporting period, and meet the capitalization criteria defined by the director of business services. The capitalization criteria will be shared with the school board annually.

#### IV. Development of Inventory and Accounting System

The superintendent or other administrative designee will 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 will be operated in compliance with the applicable provisions of the Uniform Financial Accounting and Reporting Standards for Minnesota public school districts (UFARS) with a capitalization level that equals or exceeds \$5,000. Group purchases of technology, furniture, curriculum, or other equipment—individually below the item threshold but deemed significant by the director of business services—have a capitalization level of \$25,000. The inventory will specify the location of all continued abstracts showing the conveyance of the property to the district; certificates of title showing title to the property in the district; title insurance policies; surveys; and other property records relating to the real property of the district.

V. Report

The administration will annually update the property records of the school district and provide an inventory of the fixed assets of the district to the school board through the district's annual financial audit.

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 (Schoolhouses and Sites; Uses for School and Nonschool Purposes; Closings)

Cross Reference:

- Policy 703 (Accounting)
- Policy 704 (Annual Audit)

Policy

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INDEPENDENT SCHOOL DISTRICT NO. 273  
Edina, Minnesota