704 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 POLICY

The policy of the school district is that a fixed asset accounting system and an inventory of fixed assets valued at five thousand dollars ($5,000) and higher and a life expectancy of five years or more be maintained.

III. DEVELOPMENT OF INVENTORY AND ACCOUNTING SYSTEM

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).

CAPITALIZATION:
Assets purchased in excess of $5,000 shall become fixed assets and be subject to this policy.

When a collective purchase of items, whose individual acquisition costs are less than the capitalization threshold (i.e. 3rd-grade furniture, staff computers, etc.), exceeds $15,000, those items, as a collective whole shall be listed as a capital asset and depreciated over their useful life as it would if it were a single asset.

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)