

*Adopted: October 23, 2025*

*Reviewed: \_\_\_\_\_*

## **Twin Cities International Schools**

### **DEVELOPMENT AND MAINTENANCE OF AN INVENTORY OF CAPITAL ASSETS AND A CAPITAL ASSET ACCOUNTING SYSTEM (704)**

#### **I. PURPOSE**

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

#### **II. GENERAL STATEMENT OF POLICY**

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

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

The executive director or such other school official as designated by the executive director or the school board shall be responsible for the development and maintenance of an inventory of the capital assets of the charter school and for the establishment and maintenance of a formal capital 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 schools (UFARS). The School considers any expenditure, which are capital in nature, with a grouped initial cost of more than \$5,000, and an estimated useful life in excess of one year, to be a capitalized asset. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Where applicable, assets purchased together and for a common purpose should be grouped and capitalized as one asset. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over its estimated useful life.

#### **IV. REPORT**

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

***Legal References:*** Minn. Stat. § 123B.51 (Schoolhouse and Sites; Access for Noncurricular Purposes)  
Minn. Stat. § 124E.03 (Applicable Law)  
Minn. Stat. § 124E.07 (Board of Directors)  
GASB Implementation Guide 2021-1

***Cross References:*** MSBA/MASA Model Policy 702 (Accounting)

*MSBA/MASA Model Policy 704 Charter*  
*Orig. 1995 (as ISD Policy)*  
*Orig. 2022 (as Charter Policy)*  
*Rev. 2025*