

## **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. This policy defines dollar thresholds and descriptions for categories of capital assets for all departments of the District.

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

It is the policy of this school district that a fixed asset accounting system and an inventory of fixed assets be developed and 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). Capital assets include land, land improvements, buildings, building improvements, construction in progress, machinery, equipment, and licensed vehicles. Capital assets are defined as those with an initial, individual cost of \$5,000 or more and have a useful life of more than one fiscal year. 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.

### **IV. REPORT**

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

#### ***Legal References:***

Minn. Stat. 123.33 (School Board Powers)

Minn. Stat. 123.34, Subd. 8 (Duties of School Board Clerk)

Minn. Stat. 123.35 (School District Powers)

Minn. Stat. 123.36 (Schoolhouse and Sites; Access for Non-Curricular Purposes)

#### ***Cross References:***

CHSD Proposed Policy 702 (Accounting)

MSBA Service Manual, Chapter 9, Public School Finance

***School Board Action:***

Adopted March 17, 2009

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