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

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) with a capitalization level that equals or exceeds $5,000. Group purchases for technology, furniture, or other equipment that is purchased as a per quantity that otherwise may be below the individual item threshold, the total threshold is $25,000. 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.

IV. ITEMS TO INVENTORY, USEFUL LIFE AND DEPRECIATION

The fixed asset accounting system and inventory of fixed assets shall consist of real and personal property assets purchased and owned by the school district that has an initial purchase value of $5,000 or more (originally established at an initial purchase value of $1,000 or more and adjusted to $5,000 or more effective July 1, 2013 and thereafter, until modified) and intangible assets as defined by GASB 51, including easements, right-of-ways, and intellectual property that has a value of $25,000 or more.

Useful Life:

Description of Asset	Class Life
Athletic Equipment	10 years
Audio Visual Equipment	10 years
Building Construction – Interior	25 years
Business Machines	10 years

Description of Asset	Class Life (continued)
Carpet Replacement	7 years
Communications Equipment	10 years
Computer Hardware	5 years
Copy Machines	5 years
Administrative Software-Short Term	10 years
Administrative Software-Long Term	20 years
Instructional Software-Short Term	5 years
Instructional Software-Long Term	10 years
Custodial Equipment	15 years
Electrical	30 years
Outdoor Equipment	20 years
Fire System/Sprinklers	25 years
Furniture & Accessories	20 years
Grounds Equipment	15 years
HVAC Systems	20 years
Kitchen Equipment	15 years
Land	Infinite
Large Equipment-contractor	10 years
Library Books	5 years
Machinery & Tools	15 years
Musical Instruments	10 years
Plumbing	30 years
Portable Classrooms	25 years
Roofing	20 years
School Buildings	50 years
Science & Engineering Equipment	10 years
Site Improvements	20 years
Buses, other on-road vehicles	8 years
Instructional Equipment	10 years

Depreciation shall be calculated using the straight line depreciation method with a half year depreciation convention.

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)
GASB Implementation Guide 2021-1

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