

**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 be developed and maintained.

A fixed asset is defined as tangible property ~~costing \$10,000 or more and~~ with a useful life of more than one year and that meets the capitalization criteria established by the district. It retains its original shape and appearance with use and does not lose its identity through incorporation into a different or more complex unit or substance. It is also nonexpendable, ~~which means,~~ meaning that if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair it rather than replace it with an entirely new unit. As exceptions, the School District will include items that would be considered a major loss for insurance purposes, such as computer equipment, printers, etc.

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

The superintendent or such other school official as designated by the superintendent 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).

The district shall establish a capitalization level of \$10,000 for individual fixed assets. Group purchase for technology, furniture, or other equipment, where the individual items are less than \$10,000, will be capitalized when the total purchase exceeds \$50,000.

In addition, 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.

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- A. The district will maintain an accurate inventory of all fixed assets owned and maintained in the district for the purpose of insurability, reporting, and in respect to appropriate accounting standards.
- B. All fixed items purchased or donated to the district will be appropriately receipted, tagged, and included in the fixed asset tracking system.

**V. IMPLEMENTATION**

- A. All fixed assets duly purchased by the district will be appropriately coded and have object codes relative to fixed assets in the UFARS Series 500. Material will be shipped to and received at the appropriate School District location.
- B. Fixed assets received by donation (gifts) from organizations or private individuals must be received in accordance with policy 706. These assets will be reported in writing by the Site Administrator to the Purchasing Department as appropriate for identification, tagging, and inclusion on the appropriate inventory.
- C. All information regarding the fixed asset, such as bar code number, description, location, room number, serial number, make, and model will be sent to the Business Office for recording.
- D. The School Board authorizes the Superintendent or designee the right of refusal of fixed assets that are detrimental to the School District. A donated fixed asset should be in good condition for use within the School District. Examples of donations that would be refused would be obsolete computer equipment that would cost district funds for deletion of the property or a car that would cost money to haul away.
- E. Fixed asset inventories will be verified annually and reconciled to the cumulative fixed asset list. An outside audit firm has the right to audit any School District site for compliance with generally accepted accounting principles.
- F. Adjustments of all fixed assets will be supported with receipts and signatures providing an audit trail. There will be no deletions, additions or adjustments without written proof/explanation provided. The transfer of all property will be coordinated with the Purchasing Department. A transfer form will be provided authorizing the transfer of property between locations.

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The administration shall annually update the property records of the school district.

*Adopted: 5/28/2013*

*Revised: 12/9/2019; 4/22/2024, 12/09/2024, 5/05/2025*