

PRINCETON PUBLIC SCHOOLS
POLICY-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 this school district is 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). 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. CAPITALIZATION

Princeton Public Schools General Fixed Asset Account Group includes assets that shall be capitalized using a threshold of \$5,000 or more per single item, and technology devices purchased in aggregate of \$5,000 or more with a useful life of more than five years. For those capital assets less than \$5,000 per single item, but more than \$50,000 in aggregate with a useful life of more than 5 years, shall also be capitalized. ~~Princeton Public Schools General Fixed Asset Account Group includes assets valued at \$5,000 or otherwise required by law, and with a useful life of more than one year.~~

V. DEPRECIABLE LIVES

In determining the useful life of an asset the district uses ASBO (Association of School Business Officials) GASB 34 Implementation Recommendations for School Districts guidelines. The guidelines are listed below.

Asset Class	Estimated Useful Life (Years)
Athletic Equipment	10
Audio/Visual Equipment	10
Building Construction	25
Buses / Other Vehicles	8
Business Machines	10
Carpet Replacement	7
Communication Equipment	10
Computer Hardware	5
Computer Software (administrative)	10-20
Computer Software (instructional)	5-10
Copiers	5
Custodial Equipment	15
Electrical/Plumbing	30
Furniture & Accessories	20
Grounds Equipment	15
HVAC Systems	20
Instructional Equipment	10
Kitchen Equipment	15
Land	N/A
Large Equipment	10
Library Books	5
Machinery & Tools	15
Musical Instruments	10
Outdoor Equipment	20
Plumbing	30
Portable Classrooms	25
Roofing	20
School Buildings	50
Science & Engineering	10
Site Improvements	20
Sprinkler/Fire System	25

VI. DEPRECIATION METHOD

Princeton Public School will depreciate all classes of fixed assets based on the straight line depreciation method.

VII. DONATIONS/GIFTS

Princeton Public Schools will assign a value to donations or gifts based on the current market value of that item at the time of receipt. The inventory database is to be maintained and updated semi-annually and upon receipt of any new equipment and disposal of any equipment. Each building will also have a trained representative to ensure inventory is updated. In addition to updating the inventory, each classroom, office or department will complete a physical inventory of all assets in their respective areas to ensure current information is available on the database, including all items disposed. Each building representative will update their building inventory semi-annually and give the report to the district office for updating the master list. The district office representative will be trained and updated annually in accordance with our financial software vendor.

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. This inventory may be utilized to prepare the annual report to the Commissioner required by Minn. Stat. §123B.14, Subd. 7.

VIII. 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.09 (School Board Powers)
Minn. Stat. § 123B.02 (School District Powers)
Minn. Stat. § 123B.51 (Schoolhouse and Sites; Access for Noncurricular Purposes)

Cross References: Princeton School District Policy 702 (Accounting)
MSBA Service Manual, Chapter 7, Education Funding
MSBA Service Manual, Chapter 9, Public School Finance

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