

Adopted: May 2, 2005

Revised:

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 the 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). 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.

IV. CAPITALIZATION

Physical assets acquired with unit costs in excess of \$5,000 are capitalized as property and equipment on the District's financial statements. Items with unit costs below this threshold shall be expensed in the year purchased.

If an awarding agency requires a lower amount for equipment, ISD #726 will adhere to that dollar amount only for that program or contract.

Capitalized property and equipment additions are accounted for at their historical cost and all such assets, except land, are subject to depreciation over their estimated useful lives.

Capitalized assets will be reported as expensed for grants if they were so budgeted in the grant application. However, for the District's financial statements, these assets will be capitalized and depreciated according to these guidelines.

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

Cross References: Policy 702 (Accounting)
MSBA Service Manual, Chapter 7, Education Funding