

NONINSTRUCTIONAL OPERATIONS AND BUSINESS SERVICES

Board Policy 704

St. Cloud Area School District 742

Revised: July 17, 2019

Revised: May 4, 2022

Revised: September 4, 2024

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.

Capital asset additions shall be recorded in accordance with generally accepted government accounting standards. Individual assets having a useful life of more than one year shall be capitalized using a threshold of ~~\$5,000~~10,000 effective July 1, 2024. Capital assets having a useful life of more than one year which are less than ~~\$5,000~~10,000 individually but more than \$50,000 in the aggregate shall also be capitalized. Capital assets are recorded at historical cost, which includes all costs necessary to place the asset in service. Donated capital assets will be recorded at estimated market value at time of donation.

IV. USEFUL LIVES FOR DEPRECIATION

The school district will use the following lives for purpose of calculating depreciation for financial statement reporting.

<u>Class</u>	<u>Life</u>
Equipment	10-20
Building/Building Improvements	20-50
Carpet	7
Computer Hardware	5
Computer Software	5-20
Furniture	20
Land Improvements	20
Vehicles	8

V. REPORT

The administration shall annually update the property records of the school district and provide a summary 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: Board Policy 702 (Accounting)
MSBA Service Manual, Chapter 7, Education Funding

BOARD POLICY 704

St. Cloud Area School District 742
St. Cloud, Minnesota

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