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MSBA/MASA Model Policy 704

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## **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. CAPITAL ASSET THRESHOLD**

It is the policy of this school district that an item being considered for capitalization must have a cost of \$10,000 or greater to meet the District Capitalization threshold. The District will maintain a listing of technology equipment, costing less than \$10,000 for insurance and tracking purposes, however, these items will not be capitalized

### **III IV. 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-V. 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](#)~~School District Powers~~)

Minn. Stat. § 123B.09 ([Boards of Independent School Districts](#)~~School Board Powers~~)

Minn. Stat. § 123B.51 (Schoolhouse and Sites; [Uses for School and Nonschool Purposes](#); [Closings](#)~~Access for Noncurricular Purposes~~)

#### **Cross References:**

MSBA/MASA Model Policy 702 (Accounting)

MSBA Service Manual, Chapter 7, Education Funding