

Adopted: February 12, 2015
Revised: _____

UMA Policy 704

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

It is the policy of this school district that a fixed asset accounting system and an inventory of fixed assets be developed and maintained.

III. DEVELOPMENT OF INVENTORY AND ACCOUNTING SYSTEM

The Executive Director or such other school official as designated by the Executive Director 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. 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. This inventory may be utilized to prepare the annual report to the Commissioner required by Minn. Stat. §123B.14, Subd. 7.

Legal References: Minn. Stat. § 123B.02 (School District Powers)
Minn. Stat. § 123B.09 (School Board Powers)
Minn. Stat. § 123B.14, Subd. 7 (Duties of School Board Clerk)
Minn. Stat. § 123B.51 (Schoolhouse and Sites; Access for Noncurricular Purposes)

Cross References: MSBA/MASA Model Policy 702 (Accounting)

MSBA Service Manual, Chapter 7, Education Funding

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements.

Capital assets are defined by the Academy as assets with an initial individual cost of more than \$ 1,000. Such assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared no longer needed for public purpose by the Academy, no salvage value is taken into consideration for depreciation purpose. Useful lives vary from 3 to 20 years for furniture and equipment.