

INDEPENDENT SCHOOL DISTRICT 719
PRIOR LAKE - SAVAGE AREA SCHOOLS

**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. DEFINITION

Uniform Financial Accounting and Reporting Standards (UFARS) are state standards requiring districts to use detailed tracking of revenues and expenditures in order to meet legislative requirements for school districts and to provide financial accountability for public fund allocations. The UFARS system is an integral part of the accounting and reporting process for school districts.

III. GENERAL STATEMENT OF POLICY

It is the policy of Prior Lake-Savage Area Schools that a fixed asset accounting system and an inventory of fixed assets be developed and maintained.

A. 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. Capital assets are defined as those with an initial, individual cost of \$5,000 or more which benefit more than one fiscal year. If individual assets are purchased together, the assets will be grouped and capitalized together if the total cost is over \$50,000. The accounting system shall be operated in compliance with the applicable provisions of Uniform Financial Accounting and Reporting Standards (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.

B. Reporting

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 as required by MN Statute.

Legal References: MN Stat. § 123B.02 (General Powers of Independent School Districts School District Powers)
MN Stat. § 123B.09 (Boards of Independent School District School Board Powers)
MN Stat. § 123B.51 (Schoolhouse and Sites; Uses for School and Nonschool Purposes; Closings Access for Noncurricular Purposes)

Cross References: [Policy 702 \(Accounting\)](#)

School Board Adoption: November 18, 2024

Orig: April 2007
Revised: April 2019
November 2021
November 2024

An Equal Opportunity School District