

Adopted: 2016

BBE 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 of an inventory of the capital assets of the school district and the establishment and maintenance of a capital asset accounting system.

II. GENERAL STATEMENT OF POLICY

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

III. DEVELOPMENT OF INVENTORY AND ACCOUNTING SYSTEM

The business manager 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).

IV. CAPITALIZATION

Belgrade-Brooten-Elrosa Public Schools capital assets include assets valued at \$5,000 and above with a useful life of more than one year.

V. DEPRECIABLE LIVES

In determining the useful life of an asset the district uses the following:

<u>Asset Class.</u>	<u>Useful Life (yrs)</u>	<u>Asset Class</u>	<u>Useful Life (yrs)</u>
Land	N/A	Site Improv.	20
Buildings	40	Leasehold Imp.	20
Equipment	15	Const. Eq.	15
Furniture	15	Office Eq.	8
Audio Vis. Eq.	6	EDP Eq.	5
Telephone System	10	Sci. Eq.	10

<u>Asset Class.</u>	<u>Useful Life (yrs)</u>	<u>Asset Class</u>	<u>Useful Life (yrs)</u>
Medical Eq.	10	Athletic Eq.	10
Food Service Appl.	15	Communications	10
Library Books	7	Music Eq.	20
Piping	20	Mobile Eq.	12
Vehicles	8	Maint/Grounds	15
Uniforms	10		

VI. DEPRECIATION METHOD

Belgrade-Brooten-Elrosa Public Schools will depreciate all classes of fixed assets based on the straight line of depreciation method.

VII. MAINTENANCE

The inventory database will be maintained annually to ensure current information is available in the database.

VIII. REPORT

The business manager shall annually update the property records of the school district and shall keep on file an inventory of the fixed assets of the school district.

- Legal References:*** Minn. Stat. 123B.02 (General Powers of Independent School Districts)
Minn. Stat. 123B.09 (Boards of Independent School Districts)
Minn. Stat. 123B.51 (Schoolhouse and Sites; Uses for School and Nonschool Purposes; Closings)