



COUNTY OF INYO

FIXED ASSET POLICY

PURPOSE

The purpose of this policy is to adopt a policy to provide the Auditor-Controller's Office with guidelines by which to determine whether each officer or person in charge of any office or department has fulfilled the requirement that each County Department provides a fixed asset inventory, under oath, showing in detail all county property in his/her possession as of June 30th the prior fiscal year, pursuant to California Government Code, Section 24051.

The following guidelines are therefore adopted by the Inyo County Board of Supervisors and shall be known as the "County of Inyo Fixed Asset and Equipment Management Policy" and used to maintain the "Fixed Asset Inventory".

FINANCIAL STATEMENTS

The "Fixed Asset Inventory" will constitute the "Equipment" part of the "Property, Plant & Equipment" section of the audited county financial statements each year.

EQUIPMENT DEFINED

The following definitions are from the California State Controller's Accounting Manual and are used in this policy:

"Equipment" includes moveable personal property of a relatively permanent nature and of significant value, such as furniture, machines, tools and vehicles.

"Relatively permanent" is defined as equipment with a useful life of one year or longer.

"Significant value" is defined as a minimum value of \$100 to \$5,000 as established by the County Auditor-Controller.



EXISTING EQUIPMENT TO BE INCLUDED ON INVENTORY

All equipment in the possession of any department, as the date of this policy is adopted, shall be included on the Fixed Asset Inventory list. Items with a cost, including sales tax and shipping and handling greater than or equal to \$5,000 shall be capitalized and depreciated in accordance with GASB 34.

For control purposes, assets valued below that at which they are capitalized may be included in inventory at zero value.

ADDITIONS TO INVENTORY

When a department, office or grant program, regardless of funding source, has received new equipment with a value of \$5,000 or more and processed the invoice for payment, the Auditor-Controller's Office shall assign a "Fixed Asset Number" for each individual piece of equipment and add the item(s) to the "Fixed Asset Inventory".

The Auditor-Controller's Office will send asset number tags to the department or office along with a "New Asset Certification Form" to be completed by the department or office.

The "New Asset Certification Form" shall be returned to the Auditor-Controller's Office within 5 working days of its delivery to the department or office.

Costs related to the equipment and anticipated for expenditure subsequent to the equipment's acquisition will be reviewed by the Auditor-Controller's Office, prior to being expended, to determine whether or not they are fixed asset expenditures. That determination shall be based on the following definitions from the California State Controller's Office:

Maintenance expenditures are those costs, which neither materially add to the value of property not appreciably prolong its expected *life*, but merely keep it in ordinary efficient operating condition. Maintenance expenditures are not added to fixed asset value and should be budgeted in operating Object Codes.

Fixed Asset Expenditures are those costs that materially add to the value of property or appreciably prolong its "life". Fixed Asset expenditures should be budgeted in 56XX Object Codes.



TRANSFER OF FIXED ASSETS/EQUIPMENT TO OTHER DEPARTMENTS

If a department wishes to transfer an asset to another department the "Transferring Department" must complete a "Fixed Asset Transfer" form, indicating Transferring Department, Receiving Department, Asset #, and Asset Description (including any applicable serial numbers) and submit the completed form to the Auditor-Controller's Office for certification. After certification, the Auditor-Controller's Office shall forward the form to the Receiving Department for signature. The Receiving Department shall return the signed form to the Auditor-Controller's Office, which will complete the transfer process.

For the purposes of the "Fixed Asset Inventory", the transfer of an asset to/from surplus shall be treated as transfer to/from a separate department.

It shall be the responsibility of both the Transferring Department and the Receiving Department to ensure that the fixed asset inventory for the respective departments is updated.

SALE OR DISPOSAL OF FIXED ASSET/EQUIPMENT

All equipment that has been declared surplus by a department and determined by the Auditor-Controller's Office to have value will be available to any other department to use in its operation.

Any equipment that is declared surplus by a department and not claimed by another department may, upon approval and direction of the Board of Supervisors, be disposed of by one of the following methods:

1. Offered to another public entity per Government Code Section 25365.
2. Offered to a non-profit corporation of the type listed in Government Code Section 25372.
3. Sold at a public auction per Government Code Section 25363.

If equipment is determined by the Auditor-Controller's Office to be unusable and have no value, it shall be disposed of as soon as possible, in accordance with the County Code and upon approval and the direction of the Board of Supervisors.

The sale or disposal of surplus equipment shall be completed following the attached flowchart titled "Fixed Asset/Equipment Surplus Procedure".



ACCOUNTABILITY

All equipment on a department or office fixed asset list is the responsibility of the department head or officer.

In accordance with California Government Code, Section 24051, whenever a person leaves office, a true and correct copy of the department inventory for which that person is responsible shall be delivered to his or her successor in office who shall receipt for it. The receipt shall be filed with the Auditor-Controller's Office.

Personnel shall notify the Auditor-Controller's Office, as soon as known, of the pending service termination of any person in charge of fixed assets.



FIXED ASSET/EQUIPMENT SURPLUS PROCEDURE

Department makes determination to surplus
Per Fixed Asset/Equipment Management
Policy

Auditor-Controller's Office
certifies ownership

--- Determines value of item
--- Based on value, determines whether item
will go to surplus or be recommended for
disposal.

Auditor-Controller's Office
updates fixed asset inventory

Informs Public Works
to store or dispose

To Surplus
Area

To Disposal
Area

- 1. Surplus area will be maintained by Public Works
- 2. Maintained in surplus then recommended to Board of Supervisors for auction or disposal.
- 3. A list of items in surplus will be provided to all departments not less than annually

--- Items to be disposed of
as soon as possible