

## **FP 22: Capital Asset Inventory Records Policy**

***The County will maintain inventory records in accordance with generally accepted accounting principles (GAAP) and comply with all laws, regulations, contracts, grants, and other legal requirements.***

### **Which assets need to be inventoried or cataloged?**

The following assets are inventoriable assets and must be carried on the property records of an agency:

- All assets meeting the County's capitalization policy,
- Assets with a unit cost (including ancillary costs, yet excluding sales taxes) less than \$5,000 identified as small and attractive assets (see below for more details),
- Art collections, library reserve collections, and museum and historical collections which are not required to be capitalized, are required to be controlled by means of a perpetual inventory or a recognized cataloging system, and
- Trust lands are to be announced by the administering agency.

### **Small and attractive assets**

Each department and agency should perform a risk assessment (both financial and operational) on the department's and agency's assets to identify those assets that are particularly at risk or vulnerable to loss. Assets so identified that fall below the County's capitalization policy are considered small and attractive assets. Each department and agency should develop written internal policies for managing small and attractive assets.

The department and agency should implement specific measures to control small and attractive assets to minimize identified risks. Periodically, the department and agency should perform a follow up risk assessment to determine if the additional controls implemented are effective in managing the identified risks.

Departments and agencies must include as small and attractive assets all items that may be used as weapons. Otherwise, departments and agencies have discretion in setting their definition of small and attractive assets. However, absent a risk assessment and development of written policies for identifying and controlling small and attractive assets, departments and agencies must include, at a minimum, the following assets with unit costs of \$300 or more as a small and attractive:

- Office Equipment
- Cameras and Photographic Projection Equipment
- Communications Equipment, Public Safety: Audio and Video
- Optical Devices, Binoculars, Telescopes, Infrared Viewers, and Rangefinders
- Microcomputer Systems, Laptop and Notebook Computers
- Other I.T. Accessorial Equipment and Components (Scanners, Data Displays, etc.)
- Radios, Record Players, Tape Recorders, Television Sets, VCRs, and Video Cameras

### **Inventory records requirements**

Departments and agencies are to maintain a capital asset inventory system that includes records for all inventoriable assets.

Department and agency capital asset inventory systems should contain, at a minimum, the following data elements, except as noted as below:

- **Department or Agency Name and Code Number** - The agency name and three-digit department or agency code number.
- **Account** - For proprietary and trust fund type accounts, this is the account in which the asset is being used. This may or may not be the original purchasing account. For governmental fund type accounts, this is the account that originally purchased the asset. For those assets for which an account cannot be identified or is no longer in existence, such assets are to be identified as assets of the department's control account (such as 11-3-1-409-000 for Custodial Services).
- **Acquisition Date** - The date the agency takes title to, or assumes responsibility for, an asset.
- **Cost** - The total cost (value) assigned to the asset.
- **Depreciation** - The portion of the cost of a capital asset representing the expiration in the service life of the asset attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and/or obsolescence which is charged systematically over the useful life of the capital asset. This element is not applicable to small and attractive assets.
- **Description** - Name of the asset
- **Disposal Authorization** - When required, either the number assigned by the I.T. Office (for information technology related equipment and proprietary software) or the Finance Office (for all other capital assets), granting an agency the authority to dispose of an asset or as provided by specific statutory authority.
- **Disposal Date** - With proper authorization, the date that the agency officially relinquishes responsibility for the asset.
- **Inventory Control Number** - The control number inscribed on, or contained on the inventory tag attached or referring to, an asset.
- **Location Code** - The identification code of the facility or area in which the asset is located.
- **Manufacturer** - The name of either the manufacturer or the commonly accepted trade name: if none, then vendor name.
- **Order Number** - The number of the purchasing document used for the acquisition of the asset.
- **Ownership Status** - An indication as to possible claims against the asset by outside parties (e.g., federal government)
- **Parcel Location Identifier (For Land and Buildings Only)** - The county assessor's parcel number of the land, or other code used by the agency to specifically identify the location of the land.
- **Quantity** - The physical count of the inventoriable items. For equipment, this number is to be expressed as whole units: for buildings, as square feet: for land, in acres to the nearest tenth: and, for construction in progress, as the number of capital projects under construction.
- **Salvage Value** - The estimated portion of a capital asset's cost that is recovered at the end of its service life less any disposal costs. This element is not applicable to small and attractive assets.
- **Serial Number** - The unique identification number assigned by the manufacturer. Do not confuse this number with the model number.
- **Useful Life** - The estimated useful life of the capital asset in years. Schedule B - Alphabetical Listing of Suggested Life for Depreciation of Capital Assets. This element is not applicable to small and attractive assets.

**Adding capital assets to the inventory**

Upon receipt and acceptance of an inventoriable asset, the agency inventory officer is responsible for supervising the addition of the asset to the inventory system. This includes assigning tagging responsibilities to specific individuals as well as developing and implementing procedures to ensure that the necessary information is entered into the department's or agency's capital asset inventory system.

**Removing capital assets from the inventory**

Departments and agencies are to adopt internal policies and procedures regarding the timely removal of capital assets from inventory, including procedures for the proper approval of disposal requests.

Capital assets are to be removed from active inventory based on the completion of Form A - Property Disposition Request (PDR).

Departments and agencies are to maintain records of capital asset dispositions in accordance with approved department or agency records retention schedules.

**Finance Office requires information about surplus property**

Departments and agencies must report all capital assets classified as surplus to department of agency needs (excluding information technology related equipment and proprietary software) to the Finance Office.

**Lost or stolen property**

When suspected or known losses of inventoriable assets occur, departments and agencies should conduct a search for the missing property. The search should include transfers to other divisions or agencies, storage, scrapping, conversion to another asset, etc. If the missing property is not found:

- Have the individual deemed to be primarily responsible for the asset, as well as that individual's supervisor, complete and sign Form A - Property Disposition Request.
- Include on the request a description of events surrounding the disappearance of the property, who was notified of the loss, and steps taken to locate the property.
- Remove the lost or stolen property from the agency's inventory and accounting records, where applicable.
- Maintain records for losses of inventoriable assets in accordance with approved agency records retention schedules.