

Teller County Policies and Procedures for Fixed Asset Tracking

I. Introduction

A. In accordance with State statutes, the Board of County Commissioners is responsible for the development and approval of the County budget and for the protection of the assets and records of Teller County. The purpose of this policy is to comply with those statutes as well as create efficiencies County-wide by consistent application of this asset management policy. The Teller County Finance Department is charged with the day to day implementation and management of this policy, which will ensure the valid tracking of all fixed assets owned by the County.

We acknowledge that each department is expert in defining their asset needs and each department is responsible for determining its inventory needs as well as the efficient management of that inventory within the County guidelines.

This policy is considered the minimum baseline requirement necessary for responsible asset acquisition, inventory reporting, asset disposal and prevention of conversion of assets. Any further policy or control that an Elected Official or Department Head deems necessary within their own department, or to comply with conditions attached to grant monies, is fully within their jurisdiction and purview.

II. Definitions

A. **Asset Value Levels:** Per governmental accounting standards, asset value levels are based on the market value at the time the asset was acquired.

- 1) **Capitalized Fixed Assets.** Items valued at \$5,000 or more.
- 2) **Disposable Assets:** Items valued less than \$100 which are not public health or safety sensitive or historically significant. Typically these are items such as standard office supplies and equipment such as staplers, hand tools, computer mouse and calculators.
- 3) **Non-Capitalized Fixed Assets.** Items valued greater than \$100 but less than \$5,000.

B. **County Assets:**

- 1) **County-Owned Fixed Assets.** Any tangible property in which the County has a legal right or interest and that is under control of the County; including leased assets, donated assets and assets acquired through grants or donations. An asset is an item that either increases the value of an existing asset or has its own unique tangible value.
- 2) **Grant Funded Fixed Assets.** Any asset acquired using grant funds. These items are County property and are treated the same as other County-owned fixed assets for acquisition and disposal, but also must be handled as per any specific grant requirements.

- C. **Conversion:** The unlawful appropriation or the unauthorized disposal of County-owned Fixed Asset(s).
- D. **Disposal:** To get rid of assets by either selling, trading, donating or destroying them.
- E. **Historically Significant:** Assets that have been in the County for a number of years and have become either monetarily or intrinsically valuable to the County, such as photographs, pictures, antique furniture or fixtures.
- F. **Public Health or Safety Sensitive:** An asset that requires a higher level of tracking or control due to its potential detriment to the public health or safety of the general public.
- G. **Types of County Owned Fixed Assets**
 - 1) **Coordinated Fixed Assets.** These assets are managed, acquired, tracked, reported and disposed by a specific department in order to create County-wide consistency and efficiency. Some examples are I.T. coordinating telephones, computers and peripheral equipment and software; Fleet coordinating vehicles; Administration coordinating copiers; Public Works coordinating buildings and improvements to land or buildings.
 - 2) **Department Specific Fixed Assets.** These items are needed for specific departmental operations. Some examples are chain saws, weapons, bullet proof vests, hand/power tools.
 - 3) **General Fixed Assets.** These are assets that are not “Coordinated” or “Department Specific”. Some examples are furniture, small office equipment, cameras and camcorders.

III. Methods of Asset Acquisition

- A. **Utilize the County Budget Process for**
 - 1) Disposable assets and Non-Capitalized fixed assets with a value less than \$5,000
 - 2) Must comply with any grant or external funding requirement if applicable
- B. **Utilize the CIP Process for**
 - 1) Any asset with a value of \$5,000 or greater
 - 2) Must comply with any grant or external funding requirement if applicable

C. **No Cost Acquisitions**

- 1) May be an asset of any value.
- 2) The acquisition must comply with any grant or donator provisions
- 3) Must comply with any grant or external funding requirement if applicable.

IV. Inventory Maintenance

A. **Capitalized Fixed Assets**

- 1) These are items valued at \$5,000 or more and are tracked by the Finance Department beginning when they are acquired.
- 2) Finance will conduct periodic inventory inspections of these assets.
- 3) See **V. Methods of Disposal** below for how to dispose of a Capitalized Fixed Asset.

B. **Non-Capitalized Fixed Assets**

- 1) Items, other than furniture, valued at less than \$5,000 are not tracked on the County's fixed asset list, rather they are to be tracked internally by each department and should include major items that were purchased or donated to the department that might be subject to conversion. See Section C for policy specific to furniture.
- 2) A copy of each department's current listing should be submitted annually to Finance, not later than January 31 of each year. Use the form "Fixed Assets Less than \$5,000 Tracking Form", which is available on CELIA; or use your own format as long as all of the information below is provided:
 - Item name
 - Serial number / phone number
 - Model name or number
 - Location (where it is or who has it)
 - Dated and authorizing signature, stating that the reported information is correct
 - Employee's initial, if applicable, if the item is assigned to a specific employee
 - Grant source
- 3) When an employee terminates employment with the County or transfers to another department, it is the department's responsibility to make sure any County asset assigned to that employee is returned to

“departmental inventory”, and any access to County assets assigned to that employee is ended, preferably before a final paycheck is given to the employee. The asset should be examined for damage and the tracking form, or other internal receipt/documentation used by the department, should be updated and initialed by the department representative who received the asset back. By law, the final paycheck must be given to an employee by the County immediately upon termination. If the employee has quit, terminated or resigned, the final paycheck is due on the next regular payday. Any deductions from the final paycheck to reimburse the County for damaged/lost assets can only be made if there is a written agreement between the County and the employee (and then only consistent with that written agreement), and must also comply with the legal requirement that a departing employee cannot receive less than the equivalent of minimum wage for the final hours worked.

C. **Furniture:**

- 1) Each department will track and maintain its own furniture inventory based on departmental needs.
- 2) Use the appropriate method depending on whether it is a capital or non-capitalized asset.

D. **Moving Fixed Assets Between County Departments**

- Form”
- 1) Reporting Moved Fixed Assets on “Fixed Asset Move/Discard Form”
 - (a) When a Capitalized Fixed Asset is transferred or moved to another department, record that change on the “Fixed Asset Move/Discard Form” found on CELIA and forward the form to the Finance Department at the time of the transfer. Board of County Commissioner approval is not needed as long as the asset remains within the County
 - (b) When a Non-Capitalized Fixed Asset, other than a Coordinated Fixed Asset, is transferred or moved to another department, record that change on the “Fixed Asset Move/Discard Form” found on CELIA and forward the form to the Finance Department with your annual January inventory report. Board of County Commissioner approval is not needed as long as the asset remains within the County
 - 2) Procedure for Moving Fixed Asset Types

- (a) Coordinated Fixed Assets: The department responsible for coordinating these assets can move them between departments as needed for maximum efficiency.
- (b) Department Specific Fixed Assets: The assumption is that none of these assets would move to other departments.
- (c) General Fixed Assets: Moving these assets should be done subject to the reporting requirements in **IV. D. 1)** above.

V. Methods of Asset Disposal

A. Levels of Authorization Needed

1) Capitalized Fixed Assets

- (a) Request the release of asset in written form to be considered at a regular public meeting of the Board of County Commissioners.
- (b) Submit a “Fixed Asset Move/Discard Form” along with a copy of the approved release of asset request to Finance at the time of disposal.

2) Disposable Assets

- (a) Disposal of these assets should be handled as per the Elected Official or Department Head’s internal department policy.
- (b) Any money from the sale of disposable assets should be forwarded to Finance for proper crediting.
- (c) There are there no annual reporting requirements to Finance for disposable assets.

3) Non-capitalized fixed assets

- (a) **Coordinated Fixed Assets or General Fixed Assets:** The specific department responsible for these assets submits a disposal plan in writing to the County Administrator to obtain approval; then coordinates disposal as per the approved plan. Some examples of Coordinated Fixed Assets are I.T. disposing of computer equipment; Fleet disposing of trailers. Some examples of General Fixed

Assets are cameras and camcorders. Submit a “Fixed Asset Move/Discard Form” along with a copy of the approved release of asset request to Finance at the time of disposal.

- (b) **Department Specific Assets that are not public health, safety sensitive or historically significant:** Submit the disposal plan in writing to the County Administrator to obtain approval; then coordinate disposal as per the approved plan. Some examples are disposal of chain saws, and bullet proof vests. Submit a “Fixed Asset Move/Discard Form” along with a copy of the approved release of asset request to Finance at the time of disposal.

- (c) **Department Specific Assets that are public health, safety sensitive or historically significant:** Request release of asset in written form to be considered at a regular public meeting of the Board of County Commissioners. Some examples are historical maps and photographs, weapons, antique furniture, antique fixtures. Submit a “Fixed Asset Move/Discard Form” along with a copy of the approved release of asset request to Finance at the time of disposal.

4) Furniture

- (a) Each Department develops a listing of furniture to be disposed of including location and description and e-mails this information to Public Works.

- (b) Public Works will notify Facilities to evaluate the furniture. Facilities will physically inspect the furniture and will make a recommendation to Public Works regarding the condition and status of the furniture.
 - a. If the furniture is in a condition or is of a type that is still usable Public Works will send out a county- wide e-mail and departments may request the furniture. If a county department claims the furniture it can be transferred to another department without BOCC approval.

- b. If the furniture is unusable or is of a condition where it needs to be put disposed of, Facilities will notify Public Works' purchasing department, who will submit a release of the asset for disposal.
 - c. In the event that the furniture is not requested by a department but has residual value the furniture will be released by the BOCC and stored until it can be donated or included in an official County disposal auction.
- (c) Under no circumstances should any furniture be disposed of without the approval from Public Works' purchasing department.