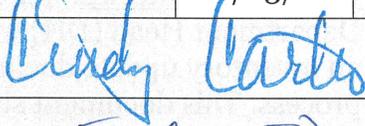


Grant County Personnel Policy

512.6 – Asset Inventory					
Issue Date	06/23/20	Effective Date	06/23/20	Revision Date	06/23/20
Chair	Cindy Carter				
Vice Chair	Tom Taylor				
Commissioner	Richard Stevens				

512.6 Asset Inventory

512.6.1 Policy & Procedure Goal: The purpose of an asset inventory system is to gather and present information needed for the preparation of financial statements and to provide for the control and accountability of the assets of Grant County. Maintaining an asset inventory system demonstrates to the public the legitimacy of the expenditures as well as the government’s sense of responsibility for the proper care and maintenance of assets purchased with public funds.

Authority for Policy and Procedure

The Grant County Board of Commissioners require all departments to use this policy to protect and report on assets held by the County. Responsibility for maintaining and updating the policy lies with the County Auditor’s office.

The Office of the State Auditor (SAO) requires a reporting and accounting system for local governments (RCW 43.09.200). The county Auditor is designated (in RCW 36.22.140) as the “ex officio” deputy of the SAO for accounting and reporting, including capital assets. Furthermore, in RCW 43.09.240, every department has a responsibility to keep their records in a standard prescribed format (as monitored by the County Auditor’s office and the SAO).

RCW 36.32.210 requires the Board of County Commissioners to file a full and complete inventory of all capital assets with the County Auditor. The report is due on the first Monday of March or another date chosen by the Board of County Commissioners for the twelve month period ending December 31st of the preceding year.

512.6.2 Responsibility of Elected Officials and Department Heads: The Board of County Commissioners shall, on the first Monday of March each year, adopt the inventory according to RCW 36.32.210. The Board of County Commissioners has delegated to the County Auditor the responsibility for compiling, maintaining, updating and reporting the annual asset inventory. One of the fundamental responsibilities of public officials is to

Grant County Personnel Policy

make certain that public property is adequately protected and that its use is properly managed.

- a) Physical Inventories: Each Elected Official (EO) and Department Head (DH) will receive in November of each year an inventory update document for the annual inventory process. This document shall be used to reconcile the department inventory. Missing or incorrect information shall be reported to the County Auditor. The inventory reconciliation shall be conducted by a person or persons not directly responsible for the assets.
- b) Reporting: Each EO/DH is required to use the Grant County Property Transaction Form as prescribed by the County Auditor for any purchase, transfer, sale or other property actions (*i.e.*, tagged assets over a \$5,000 purchase value).
- c) Internal Controls: Each EO/DH is required to assure that there are proper internal controls over their property, including assuring that only authorized and needed property is procured; property is recorded timely and accurately on the Grant County Property Transaction Form; physical security measures are commensurate with the size, type and value of property; transfers, disposals, and losses are reported timely; assets are properly requisitioned and used exclusively for government activities.
- d) Audits from the County Auditor: When an EO/DH leaves office, a physical inventory may be taken to reconcile the property of the department at the time of transitioning in the new EO/DH.

512.6.3 Responsibility of Accounting Clerk in the Auditor's Office

- a) Responsible for the input of all capital asset documents and assisting in the maintenance of all capital asset permanent records.
- b) Responsible for sending out capital asset inventory to all EO/DH and Designees by November.
- c) Responsible for updating the Policies and Procedure manual for Capital Assets.

512.6.4 Acquisition of Assets: Assets may be acquired by outright purchase, construction, lease-purchase agreement, installment purchase contract, eminent domain, tax or special assessment foreclosure or gift.

512.6.5 Inventory Account Classes:

- a) Land: This class usually includes all land purchased or otherwise acquired. Purchased land shall be carried on the records at cost. Donated land should be recorded at the appraised market value of the land at the time of its donation.

Grant County Personnel Policy

- b) Buildings: This class usually includes the value of all buildings at purchase price or construction cost. Donated buildings shall be recorded at the appraised fair market value as of the date donated. Additions and improvements to buildings as well as the cost of heating and ventilating system or other permanently attached fixtures may be added to the building value if it is betterment to the building.
- c) Improvements (other than Buildings): This class usually includes such items as infrastructure (*e.g.*, parking lots, sidewalks, bridges, and roads) and site improvements (*e.g.*, fences). Items are recorded on a cost of construction basis.
- d) Machinery and Equipment: This class usually consists of property that does not lose its identity when removed from its location and is not changed materially or expended in use. These assets are to be recorded at cost, including freight, installation and other charges incurred to place the asset in use.
- e) Construction Work in Progress: This class usually consists of the amounts that have been expended on an uncompleted building or other capital construction project. When the project is complete, the cumulative costs are transferred to the appropriate asset class.
- f) Infrastructure: The term infrastructure means roads, bridges, sidewalks, water lines, drainage and similar systems. A complete and accurate inventory of infrastructure includes; capturing all costs related to developing the infrastructure and putting it into service; providing a documented audit trail of changes in infrastructure value over the life of the asset; and establishing an efficient means of monitoring the infrastructure's condition and reconciling the results with the fixed asset accounting system.

512.6.6 Inventory of Assets: All assets as defined below are to be inventoried and reported using the mandatory inventory form as prescribed by the County Auditor.

- a) Capitalized Assets: Includes all assets that cost \$5,000.00 or more and are to be capitalized in the asset inventory system.
- b) Small & Attractive: Includes property items that cost less than \$5,000 but \$550 or more.
- c) Leases/Purchased Assets: Includes all leased and purchased assets.
- d) Grant Purchased Assets: Includes all assets purchased with grant funds. It will be the responsibility of the Elected Official or Department Head to indicate on the inventory form which office or department will have custody of the asset when the grant program/project is finished.

Grant County Personnel Policy

- e) Other Governmental Owned Assets: Includes all assets that have been assigned to Grant County from other governmental entities.

The following assets will be the responsibility of the Elected Official or Department Head to keep an inventory of:

- a) Small and Attractive Items: Are items that fall below the capitalization threshold of \$5,000 that the EO/DH or Designee want to track. These assets may be mobile in nature and/or could easily be subject to misappropriation. Given their vulnerability to misappropriation, the following attractive assets are required to be tracked by the EO/DH or Designee, but not limited too;

Guns	Camera Equipment
Radios	Televisions
Fax Machines	Cell Phones
Printer	Copy Machines
Computer Equipment	Video Equipment

The tracking of all other attractive assets is discretionary.

- b) Artifacts and Library Resources: Includes books, films, documents or other audio-visual under the control of a recognized cataloging system and which are to be recorded on the records of the agency as a single item. Primary control of this type of asset is to be maintained through the cataloging system.

512.6.7 Identification of Property

- a) All assets are identified, marked with a property number and recorded promptly upon receipt and shall remain so identified as long as they are in the custody, possession or control of Grant County. Assigned property numbers are recorded on all applicable vouchers, receiving, transfer and disposal documents and any other records that may be a part of the inventory asset system. Such markings and identification are removed or obliterated from the property only when sold, scrapped or otherwise disposed. Once a property number has been assigned, no change is made during the life of the item.
- b) A unique number shall be assigned to each asset. These numbers will be preprinted on Grant County Property Number decals. Should the identification number be accidentally or mistakenly obliterated, defaced or removed,

Grant County Personnel Policy

the equipment shall be marked again with another tag and a new inventory form will be created showing both the original and the new replacement number.

- c) Tagging should be approached carefully. Many assets, due to their size and immobility, need not be tagged. For those items that are tagged, consistency must be developed on the placement of the tag. When an asset has an identification plate, locating the tag adjacent to the plate is a good practice. On other assets, a policy of placing the tag on the upper left-hand corner is generally accepted. Tags should be placed so that they are not hidden and can be scanned with a handheld scanner without moving the asset, yet they should not distract from the appearance of the asset.
- d) All vehicle license numbers will be recorded on the inventory form and will be assigned a vehicle number that shall be plainly and conspicuously marked on the lower left-hand corner of the rear window in accordance with Ordinance No. 2000-39CC dated April 25, 2000 for definition of County Owned Vehicle Markings.
- e) A manufacturer, model and serial number should identify all individually controlled equipment such as business machines, power tools and audiovisual equipment.

512.6.8 Valuation of Assets: Assets should be accounted for at cost or, if the cost is not determinable, at estimated cost. Donated assets should be recorded at their estimated fair value at the time received. The cost of an asset includes not only its purchase price or construction cost, but also ancillary charges necessary to place the asset in its intended location and condition for use. Ancillary charges include costs such as freight and legal claims directly attributable to the assets acquisition.

- a) Estimated Costs: In some cases the original purchase documents may not be available. It may therefore be necessary to estimate the original cost of such assets on the basis of such documentary evidence as may be available, including price levels at the time of acquisition and to record these estimated costs in the appropriate asset accounts.
- b) Gifted or Donated Assets: Donated assets should be recorded in the department that has custody of the asset, at their estimated fair value at the time of acquisition.
- c) Constructed Assets: Assets that are built, such as cabinets or shelves, will be reported on an inventory form with the value to be reported as the total cost, including labor.

512.6.9 Capital Leases: If a lease is a Capital Lease, the lessee must record the property acquired under the lease as an asset at the inception of the lease. The amount recorded under the lease should equal the present value of the lessee's payments under the lease, excluding lessee payments for

Grant County Personnel Policy

insurance and maintenance. If the present value of the payments exceeds the fair market value of the property at the beginning of the lease term, the lessee should record the property at its fair market value. A Capital Lease must meet one or more of the following criteria:

- a) The lease transfers ownership of the property to the lessee by the end of the term of the lease;
- b) The lease contains an option to purchase the property at a bargain price;
- c) The lease term is equal to seventy-six percent (76%) or more of the useful life of the leased property as estimated at the inception of the life of the leased property; or
- d) The present value of the lessee's payments, including any purchase option price, equals ninety percent (90%) or more of the fair market value of the property at the inception of the lease term.

512.6.10 Disposal of Assets: All items sold, traded-in, scrapped, abandoned or in any way removed from service are considered disposals.

- a) Surplus: Inventoried assets of the County valued at \$2,500.00 or more and quantities of 5 or more assets of a like kind, valued at \$550.00 or more, that are no longer useable to the County, are no longer of value to the County or are surplus to the County's needs may not be removed from County ownership, sold or in any other way disposed without approval by the Board of County Commissioners.
 - i. Departments/Office may surplus multiple assets at a time. If doing so, a list with details of each asset shall be presented to the Board of County Commissioners for approval.
 - ii. Each request to surplus must have the county asset tag number(s), model number(s), serial number(s), a value assigned to each unit and a recommended method of disposal for each unit.
 - iii. The County Treasurer can only sell property declared surplus or delegate in writing each year the sale of this property by another County department (*e.g.*, the annual County auction). Elected Officials and Department Heads can, per resolution by the Board of County Commissioners, accept sealed bids for the sale of a County asset.
- b) Interdepartmental Transfers: Each transfer from one office or department to another is reported by the receiving office or department on the inventory form as per RCW 43.09.210 and per State Auditor's Budgeting, Accounting and Reporting Systems (BARS) manual.

Grant County Personnel Policy

- c) Lost or Stolen Equipment: Lost or stolen equipment must be reported immediately to the Law Enforcement agency jurisdiction in which the item was lost or stolen, and to the County Auditor. If, after 90 days, the equipment has not been recovered, it shall be removed from the inventory records.
- d) Trade-ins: RCW 36.34.070 states the policy for the trade-in of equipment. The trade in must be included in the bid proposal.
- e) Destroyed (broken) Assets: A destroyed asset should be disposed of properly and an inventory form shall be completed immediately.
- f) Intergovernmental Sales: As per RCW 36.34.130, the Board of County Commissioners may dispose of County property to another governmental agency and may acquire property from another governmental agency by means of private negotiation upon such terms as may be agreed upon and for such consideration as may be deemed by the Board to be adequate.

512.6.11 Depreciation: Depreciated capital assets will use the straight-line depreciation method with no residual value with one exception, that exception being Fund 510. Fund 510 will use ninety percent (90%) of current price and a residual value of ten percent (10%) except on Buildings. The asset life will be determined by the IRS guidelines.

512.6.12 Real Property: The Accounting Division of the Auditor's office will receive copies of all deeds of all real property purchased, sold, donated, vacated or foreclosed upon by Grant County.

512.6.13 Physical Inventory Policy

- a) RCW 36.32.210 requires the Board of County Commissioners to annually file a full and complete inventory of all capital assets.
- b) The requirements of RCW 36.32.210 are met by an annual physical inventory of all capital assets which consists of building, land, improvements, furniture and equipment with a cost of \$5,000 or more and a life of one year or more, and for all vehicles regardless of price.
- c) It is the responsibility of each EO/DH or Designee to make sure that an annual physical inventory is conducted to ensure the Inventory Verification Report is accurate for their department.
- d) The EO/DH or Designee will initiate any changes required in order to accurately report their department's inventory by completing the appropriate Property Transaction Form.
- e) The Accounting Clerk will send capital asset inventory and instructions to all EO/DH and Designees by November.
- f) When the physical inventory is complete the Inventory Verification Report must be signed and dated by the EO/DH

Grant County Personnel Policy

or Designee and returned to the Auditor's Accounting Clerk along with the appropriate Property Transactions forms for all corrections or adjustments required in order to accurately report their department's capital assets.

- g) This report is due to the Accounting Department by January 15th, for the preceding twelve month period ending December 31st.

Any Department opting to perform an annual physical inventory earlier than December in any year must notify the Accounting Clerk and request the current "Inventory Verification Report".