

# **CAYUGA COUNTY POLICY**

## **60a Capital Asset Policy**

**Subject: CAYUGA COUNTY PURCHASING POLICY REGARDING CAPITAL ASSETS**

**Effective Date: 7-27-21**

**Resolution No. 218-21**

**Supersedes Policy of: 01-26-16**

**Resolution No.: 45-16**

### **GENERAL COUNTY POLICY**

The County of Cayuga has a significant investment in capital assets including land and land improvements, buildings and building improvements, infrastructure, machinery and equipment, and vehicles. Maintaining adequate fixed asset records is a requirement for all government units under Generally Accepted Accounting Principles (GAAP) . The objectives of this policy include:

- To detail protocols to safeguard the County's capital assets against loss or misuse
- To define the key responsibilities of County employees for the effective oversight and management of capital assets
- To describe County processes with respect to the budgeting for and procurement of capital assets
- To define a uniform capitalization policy for reporting of capital assets in the County's financial statements in accordance with GAAP (Generally Accepted Accounting Principles) and GAS (Governmental Accounting Standards)
- To detail the procedures necessary to ensure accurate and complete recordkeeping for the County's capital assets for both financial reporting as well as insurance coverage purposes.

This policy is applicable to all capital assets of Cayuga County regardless of funding source and applies to all Cayuga County departments. Component units of Cayuga County must also adhere to the reporting requirements described herein.

## **TYPES OF ASSETS**

A “tracked” fixed asset is an asset, as described above, with a cost of between \$1,000 and \$5,000, and a useful life of more than two years. A “capital” asset is any asset, as described above, with a cost of \$5,000 or more, with a useful life of greater than one year. A “capital” asset must be purchased from an Equipment account (Org Code XXXX2)

*LAND/BUILDING* - Any land or building owned by Cayuga County, regardless of purchase price will be considered a fixed asset. The capital asset threshold for improvements to buildings or land is \$25,000.

*COMPUTER SOFTWARE* – Standard “off the shelf” computer software is not considered a fixed asset and should be charged to contractual expense. Custom software over \$5,000 is considered a capital fixed asset.

*REPAIRS* – The repair of an existing piece of equipment or building is not a capital asset and should be charged to a contractual account.

*UPGRADES* – Upgrades to a building/land or piece of equipment should be added to the capital asset account if the cost is considered a capital asset. Any improvement over \$25,000 would be considered a capital asset.

*STORAGE* – If a department has any assets in storage that are on your current inventory list, these assets should be reviewed during the annual inventory to determine if they need to remain on the department’s inventory or if they could be reused, junked or disposed of at auction. Assets in storage may be transferred to Buildings and Grounds Inventory (with the approval of the Buildings & Grounds Department).

All inventoried assets must be tagged unless their physical characteristics make tagging not practical.

All assets are recorded in a centralized database, in the County Treasurer’s Office.

## **PURCHASE OF AN ASSET**

Upon purchase of an asset, at the time assets are received, department accounts payable will be notified by the receiving department, and will prepare an Asset Acquisition Form. (Attachment 2) Asset Acquisition Forms will be delivered to the Deputy Treasurer for entry into the Fixed Asset Management Software. In addition, the Deputy Treasurer (or designee) will print an asset tag, which will be provided to the department to attach to the asset identified. Asset tags should be placed in an area to allow the tag to be easily scanned. The Department Head is ultimately responsible for all assets within his/her department. The Department Head may delegate the responsibility to another member of the department. Upon leaving County Service, a Department Head must confirm the accuracy of the department's current inventory (sign and date a copy of the inventory). When a new department head arrives he/she should conduct an inventory and reconcile it to the outgoing department head's inventory.

The primary purpose of tagging assets is to maintain clear identification of assets owned by the County. Asset tags will be issued by the County Treasurer's Office. Equipment and Machinery will be tagged when the asset is received. Items will be tagged by the department making the purchase. The fixed asset tags were made so they could be scanned, so tags should be placed with this possibility in mind. The placement of asset tags so they can be easily scanned.

## **TRANSFERRING AN ASSET**

An asset may be transferred from one department to another. Only the department ownership, location and sub-location will change. The transfer should be recorded on a Transfer Form (Attachment 3). The department transferring the asset out will complete the "transfer out of" section of the form, sign and forward to the department receiving the asset. The department receiving the asset will complete the "transfer in to" section of the form, sign the form, and forward the original to the Treasurer's Office.

## **ASSETS RECEIVED THROUGH DONATION**

Donated assets or assets acquired in any way other than through a purchase also must be recorded and tagged. An adjustment will have to be made to the annual inventory reconciliation. On the fixed asset form, the field for purchase order number should be left blank. In the appropriation account field, enter the word "donated". The cost is to be the estimated value of the item's fair market value at the time of receipt.

## **LEASED ASSETS**

Lease agreements must have prior approval of the Legislature. There are two different types of lease agreements: capital lease and operating lease. Capital lease agreements are lease agreements, where the County will take ownership of the asset being leased at the end of the agreement, or a “lease-to-own agreement”. Those lease payments will be charged to A97104 56000. Operating lease agreements are typically rental of equipment/space, where at the end of the lease arrangement the asset returns to the owner of the asset. Those payments will be charged to the department in a contractual account. All lease agreements should be copied to the treasurer’s office for proper recording in the asset software as well as the long-term obligation tracking, with a lease agreement tracking form. (Attachment 3)

## **DISPOSITION OF AN ASSET**

Disposition of assets can be done by transferring the asset to another department, designating an asset as surplus for auction, trade-in, return to vendor, or, when appropriate, disposal as junk. **NO PRIVATE SALE** of any County assets is permitted at the department level. The Legislative Clerk, or a design of the County legislature, will auctions items for the County. If an item is to be donated to a non-County department, a Board Resolution must be passed to authorize the donation. **PLEASE LEAVE ASSET TAGS ON ALL ITEMS FOR ANY TYPE OF DISPOSITION.** Follow the instructions above for a transfer of an assets. Departments with items for disposal should contact Buildings & Grounds for pickup. An asset will be removed from the department’s inventory when the Disposition Form (Attachment 2) is received by the County Treasurer’s Office. When practical, any disposed assets will be kept and made available to any County department free of charge. Buildings & Grounds will make the determination if an asset will be sent to auction or will be junked. All asset disposition forms must be signed off by Buildings & Grounds prior to the asset being removed from inventory. The Highway Department will follow the same procedures for the disposal of Highway Equipment. The disposition of Computer related Equipment and Storage Media requires special handling and is detailed in county policy number 11, Computer Equipment and Storage Media Transfer, Reuse, Reassignment or Disposal Policy.

## **DISPOSITION OF SURPLUS ITEMS POLICY (VEHICLES)**

The disposal of obsolete vehicles, trailers, or anything that would require a signature on the title, that is no longer used or needed by a County Department, will be handled in the following manner:

Surplus items are any items that the County is no longer in need of. They may or may not have value.

All Title documents that require a signature will be processed by the Clerk of the Legislature.

### 1. Items with a value

- A. All Vehicles/Trailers/Boats purchased, must be done by resolution. Vehicles/trailers that are being replaced by a new vehicle/trailer will be done by resolution with the following clause: RESOLVED, that one existing vehicle will be delivered to the Clerk of the Cayuga County Legislature for disposal upon receipt of a replacement vehicle. The Department Head must notify the Clerk of the Legislature of the year and VIN No. of the vehicle that will be sent to auction.
- B. The Clerk of the Legislature will notify the Auction Vendor who is under contract with the county, who will take pictures and put on their auction site.
- C. Vehicles/trailers that are sold at auction; the Clerk of the Legislature will remove them from the county insurance and when the check is received will bring original to the County Treasurer's Office for processing.
- D. Any vehicle/trailer that will be transferred to another department, must inform the Clerk of the Legislature and proper paperwork will be processed.
- E. Any vehicle that the County Motor Pool states; fails to pass inspection or is otherwise determined by the motor pool to be taken out of service will be taken off the road, Motor Pool will notify the Department Head who's responsibility it is to then notify the Clerk of the Legislature who will put vehicle up for auction, they will not need to be declared surplus.
- F. The Clerk of the Legislature will dispose of all Vehicles/trailers, boats, anything that would need a title signed, insurance cancelled or plates turned in. Any vehicle or equipment that requires a title to be signed either for transfer or sale will be handled by the Clerk of the Legislature Department.

## **DEPRECIATION SCHEDULE**

For annual financial reporting purposes, capital assets will be accounted for and depreciated pursuant to GASB 34 guidance and the following depreciation schedule will be followed:

<b>Category</b>	<b>Useful Life</b>
Police Vehicles	3 years
Computer Equipment/Software	3 years
All other vehicles	5 years
Equipment	7 years
Towers	10 years
Road/Bridge Improvements	15 years
Heavy Trucks	15 years
Major Equipment	15 years
Improvements	15 years
Buildings	40 years
Bridges	50 years
Land	N/A

## **INVENTORY OF ASSETS/YEAR END PROCESSING**

At a minimum, on an annual basis each department will reconcile the acquisitions and disposals for their department with the Treasurer's Department. The Treasurer's Department will provide a list of additions, disposals, and assets currently held by the department. All acquisitions should be matched to the MUNIS ledger, XXXX2 accounts. All reports should be reviewed by the responsible department level staff, and signed off. The Treasurer's Department will randomly sample assets annually to ensure their existence

# CAYUGA COUNTY

## Asset Acquisition Form

ATTACHMENT 1

DEPARTMENT CODE		
PURCHASE DATE		
BRIEF DESCRIPTION		
DATE RECEIVED		
MAKE / MODEL		
SERIAL NUMBER		
OR RES #IF ADD'L ID – AVAILABLE		
COUNTY BUILDING WHERE ASSET IS LOCATED (check one)	<input type="checkbox"/>	County Office Building
	<input type="checkbox"/>	Other - Building Name:
SUB-LOCATION (IE: ROOM, USER NAME)		
ACQUISITION METHOD (check one)	<input type="checkbox"/>	Current Budget \$
	<input type="checkbox"/>	State Grant \$ - Name of Grant:
	<input type="checkbox"/>	Federal Grant \$ - Name of Grant:
	<input type="checkbox"/>	Gift or Donation to County
PURCHASE ORDER NO.		
VENDOR NAME		
APPROPRIATION ACCOUNT		
COST		
IS THIS AN IMPROVEMENT TO AN EXISTING ASSET? IF SO, PLEASE PROVIDE ASSET NUMBER.		

FORM PREPARED BY \_\_\_\_\_ DATE \_\_\_\_\_

TREASURER'S OFFICE  
USE ONLY:  
ASSET NUMBER \_\_\_\_\_

# CAYUGA COUNTY

## Leased Asset Form

DEPARTMENT CODE		
DATE OF CONTRACT		
BRIEF DESCRIPTION		
DATE RECEIVED		
MAKE / MODEL		
SERIAL NUMBER		
RESOLUTION NUMBER		
COUNTY BUILDING WHERE ASSET IS LOCATED (check one)	<input type="checkbox"/>	County Office Building
	<input type="checkbox"/>	Other - Building Name:
SUB-LOCATION (IE: ROOM, USER NAME)		
PAYMENT INFORMATION	Any Trade-in? If so, please provide asset # and amount.	
	Down Payment Amount:	
	Monthly Payment Amount:	
	Number of Payments:	
BUYOUT AT END OF LEASE?		
TOTAL VALUE OF ASSET BEING LEASED		
VENDOR NAME		
ADDITIONAL INFORMATION?		

FORM PREPARED BY _____ DATE _____
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TREASURER'S OFFICE USE ONLY: ASSET NUMBER _____
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# CAYUGA COUNTY

## Asset Disposition Form

ATTACHMENT 2

Use this form to:

- < TRANSFER AN ASSET TO ANOTHER COUNTY DEPARTMENT
- < DISCARD AN ASSET AS JUNK
- < DESIGNATE AN ASSET FOR AUCTION OR REUSE
- < EXPLAIN ANOTHER TYPE OF DISPOSITION (IE:TRADE-IN)

FIXED ASSET TAG NUMBER:
ASSET DESCRIPTION:
VALUE \$: <span style="float: right;"><i>(Use value on fixed asset inventory report)</i></span>

IF THIS IS A **TRANSFER**, PLEASE FILL IN THIS SECTION (MUST HAVE BOTH SIGNATURES)

**TRANSFER OUT OF**

DEPARTMENT NAME:
DEPARTMENT CODE:

APPROVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
*DEPARTMENT HEAD or DESIGNEE*

**TRANSFER IN TO**

DEPARTMENT NAME:
DEPARTMENT CODE:
NEW LOCATION & SUB-LOCATION (ie: ROOM #):

APPROVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
*DEPARTMENT HEAD or DESIGNEE*

IF THIS IS A **DISPOSAL**, PLEASE FILL IN THIS SECTION

DISPOSAL REASON: <input type="checkbox"/> AUCTION \$ _____ <input type="checkbox"/> TRADE-IN \$ _____ <input type="checkbox"/> JUNK <input type="checkbox"/> RETURN  DISPOSAL DATE _____
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APPROVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
*Department Head or Designee*

APPROVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
*County Administrator or Designee*