

# CAYUGA COUNTY POLICY

## 60a Fixed Asset Policy

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

**Effective Date:** 1-26-16

**Resolution No.** 45-16

**Supersedes Policy of:** 9-25-12

**Resolution No.** 350-12

### **GENERAL COUNTY PROPERTY**

The following policies and procedures document a fixed asset system designed to increase control over those assets for which the County has stewardship responsibility. The intent of these policies is to obtain accountability over our assets, provide centralized documentation for insurance purposes, meet financial reporting needs, and generate asset management information.

The Legislature gives the County Administrator the responsibility not only to purchase, but also to inventory, dispose of and/or transfer supplies, materials and equipment.

Each department head has the ultimate responsibility to conduct and maintain the individual inventory pertaining to that department. It is also the responsibility of the department head to evaluate on a continuing basis the suitability and need for materials, supplies and equipment. If they should become obsolete by reason of age, wear, or technical advancement or should become surplus, unnecessary for the operation of his/her department, the department should notify the Treasurer's Office with the details and condition of the item for swap or disposals. The Department then shall complete a work order to the Buildings department to have the item removed either by the County Auction or disposal.

### **TYPES OF ASSETS**

There are four types of assets:

1. Fixed assets – all items valued more than \$5000
2. Inventoried assets – items less than \$5000 which are vital to county operations and are susceptible to theft.
3. Any Grant related equipment if the grant specifications require that the equipment be tracked or may need to be returned to the grantor at the end of the grant period.
4. Any equipment given to the County by the State or other source that meets the same specifications Required for County purchased equipment.

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. The County Auditor will ensure each department has supplied documentation about such assets to the Treasurer's Office.

## **INVENTORY POLICY**

Physical inventory of inventoried items will be done each year. The County Auditor will check the department for actual inventory against the centralized database on a three-year rotation with particular attention to disposals.

## **FIXED ASSETS**

Fixed assets are defined as those properties the County of Cayuga retains more or less permanently, not for sale, but for utilization in the normal course of operations

Fixed assets will always imply tangible fixed assets. The general accepted practice, as in Cayuga County, is to record and report fixed assets at their historical acquisition cost. The cost of a fixed asset should include all expenses of transporting the asset to the proper location and placing it in the condition necessary for its intended use.

The County Auditor and the Administrator's Department staff will conduct periodic spot checks of fixed assets to verify accuracy of the County records and to assure county departments are prepared for New York State Auditors'.

Upon receipt of an asset valued over \$5,000.00 the County Auditor will issue a sequentially numbered inventory tag to be attached to the new asset. The department will receive a Pending Asset Worksheet, which must be completed and returned before receiving an inventory tag.

Each department has an assigned Inventory Manager who is responsible for tagging all new assets. Tags are necessary to provide positive identification of an asset; it also provides a quick and accurate method of identifying assets during the annual physical inventory. If a tag is lost or damaged the department inventory manager should contact the County Auditor for a replacement tag.

## **ASSETS ACQUIRED THROUGH CAPITAL PROJECTS**

Projects in process will be recorded in the annual financial statements as Construction in Progress. They will not be added to the fixed asset schedules.

As projects are completed and ready for use they will be added to the fixed asset schedules from the Treasurer's Office.

## **DISPOSAL**

Disposal shall be defined as: (Duties performed by the department.)

- A. Offering items to other municipalities, with the exception of vehicles.
- B. Acceptance and fulfillment of sealed bids received after an advertisement is placed in the designated newspapers in the form of a legal notice listing the items for sale
- C. Sale through a public auction, with the exception of vehicles.
- D. Trash removal
- E. Recycling

**Any sale or transfer of vehicle will need to go through the Clerk of the Legislature Office as documents will need to be signed, insurance cancelled and plates turned in.**

## **DISPOSITION OF SURPLUS ITEMS POLICY**

## **(VEHICLES)**

The disposal of obsolete vehicles, trailers, anything that would require a signature on the title and 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, make a copy and 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.

## **DISPOSITION OF SURPLUS ITEMS POLICY**

## **(OTHER)**

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.

The disposal of obsolete and /or surplus items such as furniture and office equipment no longer used or needed by a County Department will be handled in the following manner:

2. Items with a value of \$500 or more and a useful life of more than one year must be declared surplus by Board resolution.

Items considered to have no useful remaining life or a value of under \$5000 are to be submitted to the County Administrator with a copy to the Purchasing Director for review, before contacting the Buildings and Grounds Department to remove the items. The County Administrator will determine the proper disposal of these items.

3. When a board Resolution is required to declare an item surplus the request will be forwarded to the Ways and Means committee for review and approval to dispose of the item.

4. A list of items available for possible re-use will then be emailed to all County Departments, Towns, and Villages.
  5. Any entity interested in the surplus items must make a written request to the County Administrator. The County Administrator will then authorize the transfer of the equipment.
  6. Requested items will be approved and transferred on a first-come-first-serve basis. The requesting Department will be notified in writing and will be required to arrange to pick-up the items within 10 days.
  7. The County Administrator will determine the best way to dispose of all the remaining items. The items will be disposed of by one of the following ways:
    - A. The items will be offered for sale to other municipalities
    - B. An advertisement will be placed in the designated newspapers in the form of a legal notice listing the items for sale. Sealed bids will then be received.
    - C. The surplus items will be sold through a public auction.
    - D. The surplus items will be disposed of in an appropriate manner.
1. A log of all surplus items and the disposition will be kept by Purchasing. In the event that a Department determines an item that was previous declared surplus is needed for use of the Department, the County Administrator is to be notified immediately. No departments are to “take back” items that have been processed as surplus without approval.
  2. The department is responsible to notify the County Auditor of the surplus items to be removed from the Fixed Assets program.

**Note: Policy shall be reviewed periodically by the Government Operations Committee, the Clerk of the Legislature, the County Administrator or his/her designee. Any revisions approved by the Legislature shall be distributed to departments by the Clerk of the Legislature.**