

**SUMTER COUNTY BOARD OF COUNTY COMMISSIONERS
EXECUTIVE SUMMARY**

SUBJECT: Update Capital Asset Policy (staff recommends approval)

REQUESTED ACTION: Staff Recommends Approval

Meeting Type: Regular Meeting **DATE OF MEETING:** 3/14/2023

CONTRACT: N/A Vendor/Entity: _____
 Effective Date: Termination Date: _____
 Managing Division / Dept: **Office of Management & Budget**

BUDGET IMPACT: _____
 FUNDING SOURCE: _____
Type: N/A **EXPENDITURE ACCOUNT:** _____

HISTORY/FACTS/ISSUES:

Capital Assets are defined as land, land improvements, easements, buildings, building improvements, vehicles, machinery and equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and have an initial useful life extending beyond one fiscal year. A capital asset has an original acquisition cost of \$5,000 or more in accordance with Florida Administrative Code (F.A.C.) 69I-73.002 and is not consumable in nature. Sumter County BOCC recommends using the threshold of \$10,000 and more for capital assets. Attractive Items with a value or cost less than \$10,000 shall be recorded in the financial system as property for inventory purposes. Attractive items are defined as “tangible personal property used in operations that has a cost less than the established threshold and that requires special attention to ensure legal compliance, protect public safety, and avoid potential liability, or to compensate for a heightened risk of theft.”

Asset		
Land	Capitalize All	Indefinite
Buildings	Capitalize All	30-50 Years
Improvements (other than Buildings)	\$10,000	10-50 Years
Machinery, Vehicles and Equipment	\$10,000	5-15 Years
Infrastructure	\$50,000	25-85 Years
Construction in Progress	Use Final Asset Class Threshold	Use Final Asset Class Threshold
Attractive Items	\$1,000 - \$10,000	No depreciation

Prepared by: Cindy Marihugh

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