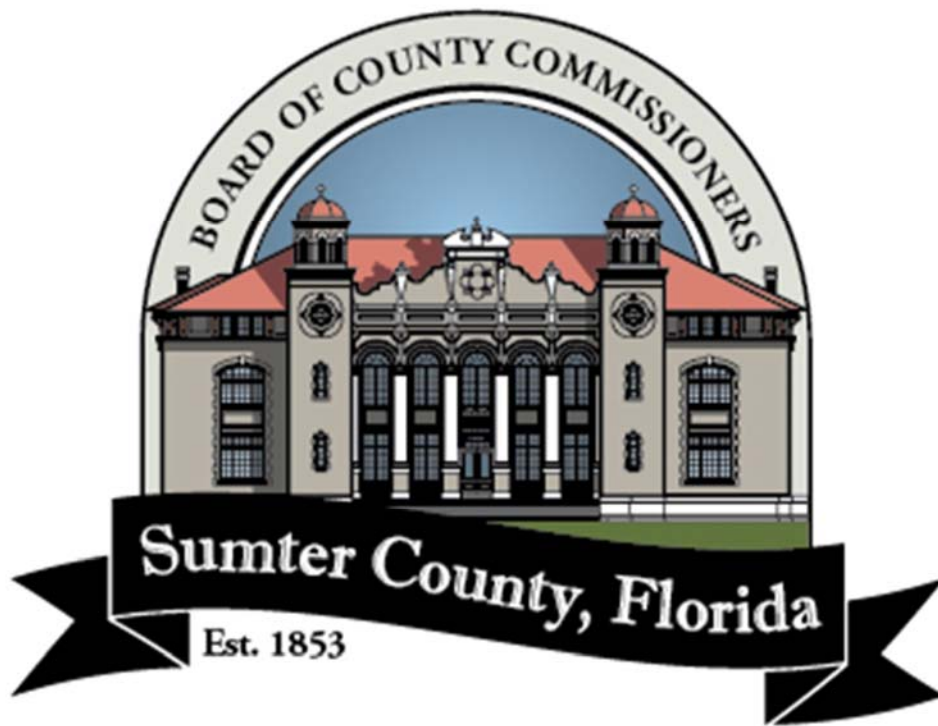


**SUMTER COUNTY
BOARD OF COUNTY COMMISSIONERS**



CAPITAL ASSETS POLICY



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General Information

This policy has been developed by the staff of the Sumter County Board of County Commissioners (BOCC) and approved by the BOCC in accordance with applicable laws and regulations. All County departments, divisions, governmental agencies, and Constitutional Officers (COs) are required to abide by the policy described herein, with the exception of the Sheriff's Office per Florida Statute (F.S.) 274.03.

Capital Assets are defined in paragraph 19 of Statement No. 34 of the Governmental Accounting Standards Board (GASB) 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 will use 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 officially 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."

The original acquisition cost of a capital asset is determined by the following:

- a. actual cost including trade in value of traded asset(s) (if applicable) and ancillary charges necessary to place the asset into its intended location and condition for use; ancillary charges include directly attributable charges of acquisition such as freight, installation, and professional fees; or
- b. estimated historical cost determined by appropriate methods if actual cost is not available; or
- c. cost of production for assets constructed by personnel, including material, direct labor, and overhead costs identifiable to the project; or
- d. Fair market value of purchase at the date of acquisition of donated property.

Any furniture, equipment, or machinery which is not physically attached to a building, such as exercise machines, generators, etc., may be considered a capital asset, depending on the value of the item. Items such as HVAC equipment, counters, cabinets, and other built in furniture, bathroom equipment, etc. which is typically installed in a building is considered a building fixture and will be recorded as part of the building.

The Clerk of the Circuit Court's Finance Department (Finance Department) is the department charged with the responsibility of maintaining BOCC records and coordinating all other matters



related to land, land improvements, easements, buildings, building improvements, works of art and historical treasures, infrastructure, and intangible assets.

The Office of Management & Budget (OMB) is charged with the responsibility of maintaining BOCC records, conducting periodic audits, distributing capital asset numbers, and coordinating other matters, including sales, transfers, and disposals, related to vehicles, machinery, equipment, and all other tangible assets (including furniture) which are not the responsibility of the Finance Department. The remainder of these policies and procedures will focus on the capital assets that are the responsibility of OMB.

A capital asset tag is the assigned number for each capital asset owned by the BOCC. Capital asset tags display the tag number, electronic scanning code ("barcode"), and the inscription, "Property of Sumter County, Florida," in accordance with F.A.C. 69I-73.004. Purchasing has the responsibility of maintaining and attaching the barcode on the capital asset.

A property custodian is any employee of the BOCC, any CO of the County, or any other individual or entity authorized by the BOCC to maintain possession and control of capital assets.

Capital Assets Records and Reports

Each property custodian may be periodically furnished with a capital assets report of all capital assets under his/her control. The property custodian shall review the capital assets report for accuracy and notify OMB of any corrections required. Each item of property shall be accounted for in a separate property record as in Florida Administrative Code 69I-72.003(2).

In accordance with Florida Administrative Code 69I-73.003(5) depreciation shall be recorded as a separate item, not to reduce the acquisition cost or value, for assets with an acquisition cost of \$5,000 or more by the Finance Department. Depreciation is calculated using the straight-line method over the following estimated useful lives:

- Buildings 30-50 years
- Improvements 10-50 years
- Equipment 5-15 years
- Infrastructure 25-85 years

Acquisitions of Capital Assets

Capital Assets can be acquired by the BOCC in several different ways:

- a. Direct purchase using County funds,
- b. Donation from individuals, private organizations, state agencies, or other governmental agencies,
- c. Direct purchase using grant, state, or federal funds, and



- d. Lease-purchase agreements.

Purchase of Capital Assets with County Funds

BOCC divisions, through the designated Department Director or Division Head with Purchasing, are authorized to procure property as specified in the BOCC's Purchasing Policy.

Capital Assets Donated to the County

Any capital asset donated to the County by individuals, private organizations, state agencies, or other governmental agencies will be reported to OMB.

Purchase of Capital Assets using Grant, State, or Federal funds

Capital assets acquired by any County agency or BOCC division from grant, state, or federal resources shall be accounted for in the same manner as capital assets acquired with the County funds. This includes capital assets acquired by the Sumter County Health Department, in accordance with F.S. 274.11. The property custodian/purchasing is required to notify OMB if any capital assets are purchased with grant funds from a grantor that requires return of the capital asset or return of any proceeds from sale of the capital asset once the capital asset is no longer needed by the BOCC. OMB will notate the capital asset record with details of grantee obligations to ensure that the requirements of the grantor are met upon disposal or surplus of the capital asset.

Lease-purchase Agreements

It is the responsibility of the property custodian or a delegate from Purchasing to inform OMB of all lease-purchase agreements pertaining to capital assets and to provide OMB with a copy of the agreement. In accordance with the criteria set forth in the Financial Accounting Standards Board's Statement No. 13, Accounting for Leases, all capital assets acquired through a lease-purchase agreement by any County agency or BOCC division will be included in the capital asset records at the beginning of the term of the agreement. OMB will notify the agency or division receiving the capital asset of any exception to this rule.

Inventory of Property

A physical inventory of all property shall be performed at least once each fiscal year to as stated in the Florida Administrative Code 69I-72.006(1). Any property discovered, that meets the requirements for accounting and control as defined in rule 69I-71.003, F.A.C., shall be added the BOCC's property records.



Disposition of Property

As stated in Florida Administrative Code 69I-73.005(2), there are seven ways to dispose of property which are being sold, donated, transferred, cannibalized, scrapped, destroyed, or traded. The authority for disposition is either authorized by the County Administrator or Board of County Commissioners during their regular meeting. The BOCC employee witnessing the disposition of the property must be identified if said property is cannibalized, scrapped or destroyed. Property that becomes surplus or is disposed requires that a notation is made identifying any related transactions (such as receipts for sale of the item, insurance recovery, trade-in).

Summary of Asset Classification and Threshold

Asset	Threshold	Useful Life
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