1. **Purpose**

This policy outlines procedures for acquiring, disposing, and maintaining control of capital assets; and for complying with published federal guidelines (2 CFR Part 225) for capitalization of equipment purchases of $5,000 cost per unit or more and a useful life of more than one year.

1. **Definitions**

Per GASB 34 paragraph 19:

1. **capital** **assets** means land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period and whose cost exceed the capitalization threshold.
2. **infrastructure** **assets** means long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.
3. **capitalization threshold** means assets that cost at least $5,000 for equipment, and $100,000 for buildings, improvements, infrastructure, and all other tangible or intangible assets.
4. **Policy**
5. The Purchasing Division shall:
	1. facilitate the purchase of capital assets, other than real estate assets, using the appropriate procurement methods, and shall notify the Clerk/Auditor of disposals of capital assets; and
	2. dispose of surplus capital assets, other than real estate assets, in accordance with appropriate County ordinances and policies.
6. The Community Development Department shall facilitate the purchase and disposal of real estate assets.
7. The Clerk/Auditor shall:
	1. track all capital asset purchases and record them in the County’s capital asset program;
	2. process transfers, surplus, or disposal of capital assets;
	3. annually send out a list of capital assets for the departments to review and update; and
	4. assign an appropriate depreciation schedule to each capital asset.
8. Donated capital assets should be recorded at the estimated acquisition value at the date of donation.
9. Department and division directors are responsible and accountable for furniture, equipment, machinery, and any other capital assets assigned to their departments.
10. Departments shall annually review and update their capital asset inventory list, noting any new, transferred, or surplused items.
11. **Procedures**
12. For capital assets acquisitions, departments shall:
	1. verify appropriate budget exists before initiating the purchase of capital assets;
	2. work with the Purchasing Division to ensure that all applicable procurement policies are followed; and
13. For disposals of capital assets:
	1. each department is responsible for submitting a Transfer/Surplus/Disposal Form to the Purchasing Division whenever any capital asset is removed from its department. Once a Transfer/Surplus/Disposal Form is submitted and approved by the Commission, the Purchasing Division will contact the department to coordinate removal of the capital asset; and
	2. the department director to whom the capital asset was assigned originally will be held accountable for the asset until accounting is notified of the transfer. After accounting has been notified of the transfer, the department manager acquiring the property assumes responsibility over the asset. The Clerk/Auditor will then record the departmental transfer on the asset records.
14. For recording the acquisition of capital assets:
	1. upon acquisition of a capital asset, the department manager is responsible for assigning and attaching asset number tags to the property where it can be readily located;
	2. The Clerk/Auditor will then maintain a detailed listing of each capital asset item along with depreciation records which will include the description, date acquired, vendor, cost basis, assigned department, depreciation method/life, and accumulated depreciation and net book value;
	3. on an annual basis, accounting shall provide a report to each department showing a listing of capital assets assigned to that department. Any acquisitions, disposals and transfers made during the past year shall be documented and forwarded to accounting, along with any discrepancies in the report. This report should be filed by the department manager for reference and later use;
	4. each department is responsible for locating capital assets with their assigned number tags attached when requested by the Clerk/Auditor or the County’s auditors; and
	5. when a change in department manager occurs, all items should be accounted for by the outgoing department manager. The incoming department manager assumes the responsibility and accountability for the departmental capital asset listing upon starting the position. The Clerk/Auditor can assist with this audit if requested.

DATED this day of , 2022.

BOARD OF COUNTY COMMISSIONERS OF WEBER COUNTY:

 Scott K. Jenkins, Chair

ATTEST:

Ricky Hatch, CPA

Weber County Clerk/Auditor

Approved as to form and legality:

Deputy County Attorney