



BALDWIN COUNTY COMMISSION

POLICY #8.8	
Subject	Fixed Asset Policy
Date Adopted	November 4, 2014
Agenda Item	BE1
Obsolete Versions	April 7, 1998 Minutes Book 20, pg. 195 July 6, 2004 Minutes Book 35, pg. 342 February 19, 2008 Minutes Page 26

POLICY STATEMENT

This policy is a guide to accurately recording and accounting for fixed assets from inception through disposal.

PROCEDURAL REQUIREMENT

In order to carry out this policy, the following steps must be taken:

1. A fixed asset is a single item with a value or cost of \$5,000.00 or more and a useful life of greater than one year, however, should the terms of a contract, program, grant or similar agreement provide a more restrictive definition of a fixed capital asset, then the more restrictive definition will apply to that contract, program, grant or agreement.
2. All fixed assets shall be purchased as a Capital Outlay expenditure in those County Departments accounted for in Governmental Fund types, and purchased as an asset in those County Departments accounted for in Proprietary Fund Types.
3. For control purposes, all fixed assets shall be classified as such and recorded in the County Fixed Asset system. The County Fixed Asset system shall be an up to date listing of all county owned assets, which shall be maintained by the County Commission Accounting Department.

4. County Departments shall requisition for fixed assets through the Purchasing Department. Such requisitions shall be approved by the appropriate County Department Head or designee. Purchasing shall verify the requisition is within budget, and order the fixed assets through normal purchasing procedures. Such normal purchasing procedures shall include compliance with the Alabama Competitive Bid Law.
5. The County Department receiving the fixed asset shall send the material receipt to the Purchasing Department. After processing the material receipt, Purchasing shall forward documentation to Accounting for payment. On a monthly basis, the Staff Accountant will review all fixed asset payment records. From these records, the Staff Accountant shall enter cost and identifying information into the County Fixed Asset System, and issue a prenumbered sticker to be placed on the fixed asset. Each Department shall affix to the outside of all motor vehicles and construction equipment the last 5 digits of the VIN or serial number in a prominent place using black numbers and/or letters at least 4 inches in height.
6. County Department Heads shall be responsible for the safekeeping of all fixed assets assigned to their Department. Every six months, the Staff Accountant will send, to County Department Heads, a County Fixed Asset System listing of the fixed assets in their Department. The County Department Head shall sign and return the listing, verifying that the fixed assets are on hand, making note of and explaining, any discrepancies.
7. A physical inventory of County fixed assets shall be coordinated by the Staff Accountant every fiscal year. The scope of the physical inventory shall alternate yearly, so that a complete physical inventory performed in one fiscal year will be followed the next fiscal year by a physical inventory performed on a sampling basis, and so on.
8. Any physical transfer of County fixed assets between County Departments, and all other dispositions of County fixed assets, must be documented by use of the *County Fixed Asset Change Form* appended to this Policy. The form shall be signed by the Department Head (s) involved, and approved by the County Commission. Once approved by the Commission, the original signed *County Fixed Asset Change Form* shall be forwarded to Accounting and a copy sent to the Department Head (s) involved. The Accounting Department shall update the County Fixed Asset System to reflect a transfer of disposition in the month following such transfer or disposition.
9. Surplus County fixed assets shall be disposed of in the following manner, unless otherwise provided for by vote of the County Commission:

A County Department that can utilize surplus fixed assets of another County Department shall request a transfer of the asset, and shall have

first priority to acquire the asset. Upon approval of the transfer by the commission, the County Department requesting the asset shall be charged for 80% of the assets fair market value, and Department relinquishing the asset shall be credited with 80% of the asset's fair market value.

Next, surplus County fixed assets may be sold to Baldwin County local governments and to State and Federal agencies serving Baldwin County residents on a first come, first serve basis. All such sales shall be approved by vote of the County Commission. The sales price for the surplus asset shall be the higher of either the amount budgeted to be received for the asset in the approved budget of the Department relinquishing the asset, or 80% of the asset's fair market value. The County Department relinquishing the asset shall be credited with the sales price of the asset.

Individual County Commissioners may make "purchases" under this policy for County Departments, Baldwin County local governments, or State and Federal agencies serving Baldwin County residents from their Commission Contingency accounts.

All remaining surplus fixed assets shall be sold by internet or physical auction.

FORMS/ATTACHMENTS/EXHIBITS

County Fixed Asset Change Form