

~~SP~~ 3b
7/30/13

FIXED ASSET INVENTORY POLICY

Board approved February 18, 1997
Policy Change – Board approved August 11, 1998
Policy Revision – Board approved February 5, 2013
Policy Revision – Board approved July 30, 2013

POLICY

It is the policy of Woodbury County to have a comprehensive fixed asset inventory system. The Woodbury County Auditor shall be responsible for developing, implementing, and maintaining the fixed asset inventory.

SCOPE

All property of Woodbury County, which is non-consumable, has a value exceeding the threshold per fixed asset classification defined below, and a life expectancy of more than one year, shall be included in the fixed asset inventory.

CLASSIFICATION/THRESHOLD

Fixed assets shall be classified in one of the five major groups of land, building, improvements other than buildings, machinery and equipment, and construction in progress. An asset will not be reported in the General Fixed Asset Account Group (GFAAG) unless the value of the asset is equal to or exceeds the following threshold by classification:

<u>Classification</u>	<u>Threshold</u>
Land	any land retained for County use
Buildings*	\$ 5,000
Improvements other than buildings	\$50,000
Machinery and Equipment	\$ 5,000
Construction in progress	any construction amount incurred during a fiscal year meeting the above thresholds

*Improvements to buildings will only be capitalized if deemed a major improvement or addition.

VALUATION

Fixed assets purchased with governmental fund expenditures should be recorded at historical cost and reported in the GFAAG. The amount in GFAAG should equal the purchase price or construction costs plus other costs necessary to place the asset into intended use.

Trade-ins* new asset is reported at its fair market value (cash plus trade-in allowance) per generally accepted accounting principles; the value reported in the governmental fund purchasing the asset will use the "net" method; in the "net method, value equals the cash paid.

Gifts assets given to the County will be reported in GFAAG at fair market value (an amount determined mutually by the seller and purchaser).

*Invoices for trade-ins should indicate the purchase price and trade-in amount allowed.

PHYSICAL INVENTORY

Physical inventories will be taken at least, every two years of fixed assets purchased from all funding sources, and the results of the physical inventory reconciled to the County's fixed asset records reported in the financial statements. The Board of Supervisors shall be responsible for completing the physical inventory for the county.

PURPOSE

The purpose of this policy is:

- A. To comply with Governmental Accounting, Auditing, and Financial Reporting (GAAFR).
- B. To have an inventory of Woodbury County property for the purpose of better management of County assets.
- C. To have inventory data available in the event of fire or other natural disaster.

PROCEDURE

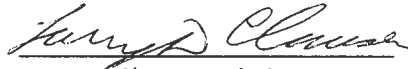
1. During the Accounts Payable processing, if an item is coded in the 6000 series, and reaches the policy limits, the Auditor's Office requests that the department complete a Fixed Asset Card for the item purchased.
2. When the department completes and returns the Fixed Asset Card, the Auditor's Office images the card to the original Accounts Payable information.
3. The Auditor's Office reconciles the Fixed Asset Cards Released Listing to the Activity Listing Account Report at the end of the year, to make sure all 6000 series expenditures or expenditures over \$5,000 was not made that would require the completion of a Fixed Asset Card.
4. The Fixed Asset Card must be adhered to the item purchased and attached for easy display and verification.
5. Each Fixed Asset Card must have the location of where the asset will be stationed, and the department who will be responsible for said asset.

In addition, the following information must be provided:

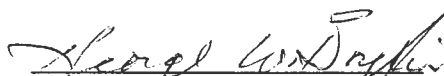
- Fixed Asset Card Number
- Department (Location of Asset)
- Serial Number

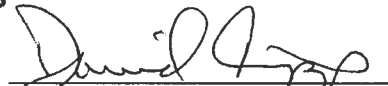
- Description of the Asset
 - Department Charged for Asset
 - Date Acquired
 - Cost
 - Other Identification such as make and model
 - Check Number, Check Date, Check Amount
6. The Fixed Asset Release Listing is on the card holder box on the scanner workstation.
7. Individual departments will be required to take inventory every year to verify the existence of said asset, stated in the Fixed Asset Release Listing. Once inventory is completed by the departments the list should be submitted to the Board Finance/Operations Controller for review.
8. The Activity Listing Account Report is reconciled to the Fixed Asset Release Listing and maintained in the Auditor's Office. The detail ledger Activity Listing Account Report will be reconciled annually to the control ledger. The Board Finance/Operations Controller will review the fixed asset ledger and process any adjustments.
9. The Board Finance/Operation Controller enters the fixed assets annually.

Board Approved: 02/05/2013


Larry D. Clausen, Chairman

WOODBURY COUNTY BOARD OF SUPERVISORS


George Boykin, Supervisor


David Tripp, Supervisor


Mark Monson, Supervisor

Jaclyn Smith, Supervisor

Attest: 
Patrick F. Gill, County Auditor