
555 - Capital Asset Policy

1.0 PURPOSE

1.1. This policy is established to provide guidelines to ensure adequate stewardship over Des Moines Pool Metropolitan Park District (District) resources through control and accountability of capital assets, and to collect and maintain complete and accurate capital assets information required for preparation of financial statements in accordance with the WA State Auditor's Office (SAO) BARS guidance for cash basis reporting entities, also known as Other Comprehensive Basis of Accounting (OCBOA).

2.0 DEFINITIONS

2.1. **Fixed Assets.** Fixed assets are tangible, non-consumable items including, but not limited to: land, buildings, machinery, equipment, and vehicles owned by the District valued at \$5,000 or more with a life expectancy of over one year. The value of the fixed asset includes the purchase price plus sales tax, as well as costs to acquire (shipping and handling), install (excluding site preparation costs), secure, and prepare an item for its intended use. The original purchase of a software program is considered a fixed asset if it meets the \$5,000 threshold established above. Improvements to an existing asset that extends the life of the asset by more than one year added to the capitalized value of the asset accounted for in accordance with BARS guidance for cash basis entities is considered a fixed asset.

2.2. **Small & Attractive Assets.** Assets valued at less than \$5,000 that are defined as having a high risk for theft. These assets are not normally consumed within one year. These assets may include items in one or more of the following categories:

2.2.1. Portable and marketable, either alone or as a component unit.

2.2.2. Assets that can be utilized for personal gain.

2.2.3. Assets repeatedly reported as lost and/or stolen within the industry and society.

3.0 CAPITALIZATION THRESHOLD

3.1. All assets with a cost of \$5,000 or more shall be tracked, monitored and evaluated for condition. Although *Small & Attractive Assets* (assets costing less than \$5,000) do not meet the District's capitalization threshold, they are considered assets for purposes of marking and identification, recordkeeping, and tracking.

4.0 IMPROVEMENT/REPAIR/MAINTENANCE EXPENSES

4.1. Routine repair and maintenance costs should be expensed as they are incurred and will not be capitalized. Major repairs will be recorded in accordance with Cash Basis - BARS requirements as a capital expenditure. If they result in betterments/improvements to the District's capital assets. To the extent that a project replaces the "old" part of a capital asset, outlays will be recorded as a repair or maintenance expense; and to the extent that the project is betterment/improvement, outlays will be recorded using the Cash Basis BARS manual capital expenditure code.

5.0 EXPECTED USEFUL LIFE OF ASSETS

5.1. The District should use the IRS Publication 946 *Table of Class Lives and Recovery Periods* or as such publication is updated, modified, or amended, to determine the life of acquired assets.

555- Capital Asset Policy

6.0 TAGGING NEW ASSETS

- 6.1. All assets fitting descriptions of a fixed asset, small and attractive asset, and/or high-risk asset (other than infrastructure, vehicles, small tools, and computer components) should be recorded and identified with a tag as an asset reference number, serial, model, or other identifying number on the District Fixed Asset Log (Attachment A) maintained by the District General Manager or Board Designee and District Accountant. All assets that are surplus or traded-in should be removed from the fixed asset inventory and the tag listing. The disposition of the item is to be noted in the asset log.
- 6.2. Asset log shall be reviewed/updated annually for asset's condition, location and disposition
- 6.3. Asset should be labeled (tagged), identifying its owner as the District's and its asset reference number

7.0 DISPOSAL OF SURPLUS ITEMS

- 7.1. Prior to disposing of surplus property, the Board must first declare the asset to be surplus to the needs of the District by Resolution. If the asset is to be sold, it should then be sold in accordance with applicable state law using commercially reasonable means. If an asset has no market value or is no longer in working order and cannot reasonably be repaired for re-sale, the District General Manager or Board Designee, may dispose of the asset. The District General Manager or Board Designee and one witness should sign an Affidavit of Destruction/Disposition (Attachment B). The District General Manager or Board Designee, should retain the Affidavit of Destruction/Disposition.
- 7.2. Before an asset that was purchased with grant funds is sold or otherwise disposed of the District General Manager or Board Designee must refer to the relevant grant agreement and, if required by the grant, follow the prescribed procedures for disposition.

8.0 LOST, STOLEN, OR MISSING PROPERTY

- 8.1. When suspected or known losses of capital assets or small and attractive items occur, staff should conduct a search for the missing property. If the missing property is not found:
 - 8.1.1. Notify the District General Manager or Board Designee.
 - 8.1.2. Have the person deemed to be primarily responsible for the asset, as well as that individual's supervisor, complete and sign a statement to include a description of events surrounding the disappearance of the property, who was notified of the loss, and steps taken to locate the property.
 - 8.1.3. The District General Manager or Board Designee should report known or suspected losses of capital assets to the State Auditor's office in accordance with RCW 43.09.185, and a copy of the report should be provided to the Board.

ATTACHMENT A

Notes:
Capital Asset threshold: \$5,000
Small Attractive Asset threshold: \$300

**Des Moines Pool Metropolitan Park District
Asset Management Log**

Asset No. (Year+xxx)	Description (Make, model #, nomenclature serial #)	Job #	Acquisition Value (\$)	Date Acquired	Location of Asset	Reason & Date	By (Name)

ATTACHMENT B



Des Moines Pool Metropolitan Park District
22015 Marine View Drive South

AFFIDAVIT OF ASSET
DESTRUCTION/DISPOSITION STATE OF
WASHINGTON
King County

I, _____, being first duly sworn upon oath, state that I have
destroyed/disposed of _____, asset no. _____, in the proper manner detailed
below, and that said destruction/disposition was witnessed by _____.

Brief description of item:

Date of Destruction/Disposition: _____

Destruction/Disposition Method:

Sale (See #1) (See #2)

Sale:

Any additional pertinent information; if sold through a District sale process or action, provide the
following detail:

Disposal Business Name: _____

Date Sent: _____

Scheduled Sale Date: _____

Name of Contact: _____

Signed: _____

Recycled:

Name of Recycle Service, if applicable: _____

Thrown Away

Subscribed and sworn on this day of _____, _____.

Affiant Signature: _____

Print Name: _____

Witness Signature: _____

Print Name: _____