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**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: County Auditor-Controller

SUBMITTAL DATE:

August 21, 2006

SUBJECT: Non-Capitalized Assets

RECOMMENDED MOTION: That the Board of Supervisors approve Board Policy H-26

BACKGROUND: Over the past two years, County Internal Audit reports have consistently identified weaknesses in the county's system of accountability over non-capitalized assets. Non-capitalized assets are broadly defined as furniture and equipment having a cost of less than \$5,000. Although the Government Finance Office Association (GFOA) recommends the establishment of controls over non-capitalized assets, there are no specific requirements for accountability as there is for capital assets. While purchases of non-capitalized computer equipment alone totaled \$22,441,422 for the past three years, the county does not have a consistent or effective means of ensuring accountability for these assets. Policy H-26 is intended to establish a countywide system of accountability for non-capitalized assets that will be consistently and uniformly applied.

Departmental Concurrence

Robert E. Byrd
for Robert E. Byrd
County Auditor-Controller

FINANCIAL DATA	Current F.Y. Total Cost:	N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:
APPROVE
Bob Beckwith
County Executive Office Signature

- Dep't Recomm.: Consent Policy
- Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.:

District: ALL

Agenda Number:

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**COUNTY OF RIVERSIDE, CALIFORNIA
BOARD OF SUPERVISORS POLICY**

Subject:

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NON-CAPITALIZED ASSET MANAGEMENT

Purpose:

The purpose of this policy is to provide guidance for the accountability of county property classified as non-capitalized assets.

Definition:

“Capital assets” are fixed assets and intangible assets of significant value as established by the County Auditor-Controller, having utility which extends beyond the current year and broadly classified as land, infrastructure, buildings and improvements, equipment, livestock and intangible assets.

“Non-capitalized assets” are similar to capital assets, except they have an acquisition cost of less than \$5,000. Non-capitalized assets which are small, mobile, easily converted for personal use, and have a fair market value of at least \$200 are classified as “walk-away assets”. Examples may include, but are not limited to, laptop computers, personal digital assistants (PDAs), global positioning system receivers (GPS), and cellular phones.

Policy:

1. Track walk-away assets using the county’s Asset Management Module. At a minimum, departments will track laptop computers and high-end cellular phones, PDAs, and GPS receivers.
2. Any device used to store sensitive data or connect to the county’s network will be tracked in the Asset Management Module even if not meeting the \$200 threshold for walk-away items. This may include low-end PDS and laptop computers obtained from surplus.