

# **POLICY 301: FIXED ASSETS & INVENTORY CONTROL**

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*Originated: December 11, 1984*

*Revised: November 14, 2017*

*Reviewed: November 10, 2020*

## **PURPOSE**

The purpose of the fixed asset and inventory control policy is to provide control and accountability over property owned by the Fire District if said property meets or exceeds the monetary and/or useful life threshold.

## **PROPERTY MONETARY AND USEFUL LIFE**

All items, either owned by the District, or loaned or furnished to the District, having an individual unit value of \$5000.00 or more and/or a useful life of 10 years or more are to be covered by this policy as Fixed Assets. Such assets shall be categorized as indicated below:

TEN (10) YEARS: Staff Vehicles, Misc. Equipment

TWENTY FIVE (25) YEARS: Brush, Rescue, Engine

THIRTY (30) YEARS: Ladder, Tenders

FIFTY (50) YEARS: All stations and buildings

Other items which have a useful life of 10 years or more and have an individual unit value of less than \$5000.00 may be grouped by like item, and the group may be accounted for as inventory.

## **PROPERTY IDENTIFICATION**

A District identification number shall be assigned and if possible, affixed or engraved, to each item. If an item or group of items cannot be effectively tagged, because of size, material, incompatibility, etc., then a number shall be assigned to those items without affixing an identification tag or engraving.

When a property item or group of items is received by the District, before the item(s) is placed in service, the following will occur: proper identification number shall be assigned, the item(s) tagged or engraved, the item(s) recorded by location, classification, description, acquisition cost, replacement cost and date. This information will be known as the Fixed Asset and Inventory Control. The item(s) will then be entered into the fixed asset and inventory control and placed into service.

## **PROPERTY ACCOUNTABILITY**

Accountability shall be maintained by records kept by the Fire Chief or his/her designee. The records shall be verified at least once each budget year by physical inventory of all property in the District's possession. This inventory shall be completed by June 30th of each year. Each year the Fire Chief shall provide a report ~~the status of the District fixed~~ of capital assets to the Board of Directors in writing ~~during prior to the report of the annual independent~~ audit report. This report shall include all new additions and, any deletions ~~and any missing items~~ of capital assets.

~~If any items are found to be missing during the yearly inventory, the Fire Chief shall be notified of the loss in writing and shall undertake appropriate action to determine the location or disposition of the item.~~

The Fire Chief will submit a disposition request of any asset to the Board for approval prior to any sale or disposition. If any item of property is disposed of, ~~the Fire Chief shall be notified and provide~~ the following information will be updated in ~~for~~ the inventory accounting system:

- Disposition of the property and reason,
- Date disposed of
- Dollar amount of revenue from the disposal action.

If any property items are located which are not tagged or properly inventoried, these items shall be tagged immediately and the appropriate entries made in the fixed asset program.