



## **Asset Management Policy**

### **PURPOSE**

The purpose of this policy is to establish criteria for the identification, depreciation, physical inventory, protection, and disposition of the Fort Vancouver Regional Library District's (FVRL) assets and to comply with the Washington State Office of Financial Management's Financial and *Administrative Policies, Regulations, Procedures and Guidelines*.

### **POLICY**

FVRL's Board of Trustees authorizes the purchase of all assets, whether capitalized or not, with the approval of the District's annual budget per RCW 27.12.210. FVRL shall have procedures and guidelines identifying the processes used to safeguard, control and account for inventories of supplies and assets; and a capital maintenance and replacement schedule. The Finance Director is responsible for creating procedures for managing and maintaining assets.

#### **Capitalization**

All assets purchased by or donated to the District valuing \$5,000 or more per single item (including sales tax, accessories, and shipping) and an estimated life of one (1) year or more shall be considered a Capital Asset. This threshold is applied to individual assets rather than to an aggregation of assets.

#### **Small and Attractive Assets**

Small and Attractive Assets are items costing less than \$5,000 but more than \$300 that are particularly vulnerable to loss such as electronic devices (e.g. computers, tablets, printers, cell phones) and other equipment. Although Small and Attractive Assets do not meet the District's capitalization threshold, they are considered assets for purposes of marking and identification, records keeping, and tracking. A list of small and attractive assets shall be maintained for inventory and tracking purposes.

#### **Library materials**

Print materials, DVDs, CDs, and other library materials intended for customers' use are not considered Capital Assets or Small and Attractive Assets for the purposes of this policy. Disposition of library materials is covered under the Collections Policy.

## **Risk assessment**

An annual risk assessment shall be completed to determine which assets or asset categories are small and attractive assets. The assessment shall be conducted by the Finance Director in conjunction with department managers. A list of Small and Attractive Assets will be maintained.

## **Inventory**

FVRL shall adequately maintain its Capital and Small and Attractive Assets to protect its investment and to minimize future maintenance and replacement costs. All Capital and Small and Attractive Assets shall have a numbered identifying tag attached when purchased. A record of these assets and related tag number shall be maintained.

A physical inventory of all Capital and Small and Attractive Assets will be conducted on a three-year revolving basis. Certain Capital Assets, such as land, infrastructure, buildings, and improvements other than buildings, do not require a physical inventory due to their stationary nature.

## **Protection**

The Finance Director shall establish an internal control structure for Capital Assets and Small and Attractive Assets that provides reasonable assurance of effective and efficient operations, security, reliable tracking and reporting, and compliance with applicable laws and regulations. The Executive Director will implement and supervise procedures for insuring assets to protect the District's investment from loss.

## **Lost or stolen property**

When suspected or known losses of inventoried assets occur within secure library areas, FVRL will conduct a search for the missing property. The search should include transfers to other locations, storage areas or surplus goods. For suspected or known thefts, staff will comply with RCW 43.09.185 and immediately report the loss to the State Auditor's Office.

## **Depreciation**

In accordance with the *Budgetary, Accounting and Reporting System* (BARS) for Library Districts, Capital Assets are expensed during the year of acquisition. There is no calculation or application of depreciation over the useful life of the asset. All Capital Assets will be expensed when purchased and actual value will be retained for insurance purposes.

## **Maintenance and replacement schedules**

A maintenance schedule shall be established for all capitalized assets. This may include maintenance contracts and regularly scheduled vehicle maintenance. A replacement schedule shall be identified for all capitalized assets and other significant equipment. A general facility maintenance program shall also be established. This program will include both owned and non-owned facilities that FVRL is responsible for maintaining.

## **Disposition**

The Board of Trustees must approve the disposition of all Capital Assets prior to the asset being removed from inventory, including but not limited to real property such as land, buildings, building improvements, etc. The Finance Director is authorized to declare any single item of FVRL personal property with a current fair market value of \$1000 or less as surplus property without Board approval. Surplus property items will at a minimum be past their useful life (see WA Office of Financial Management's *Useful Life Schedule*).

The Finance Director or their designee shall establish the current fair market value prices for any surplus items. Items with restrictions on disposition such as grants, debt or gifts will be managed by the Finance Director or their designee.

## **ADMINISTRATION**

The Executive Director is responsible for the administration of this policy, for establishing administrative procedures for its implementation and for making the policy available for the public at each branch and via the Library's web site.

## **Severability**

The Board of Trustees hereby declares its intention that the provisions of this policy are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, chapter, title or other portion of this policy, or the invalidity of the application thereof to any person or circumstance shall not affect the validity of the remainder of the policy, or the validity of its application to other persons or circumstances.

## **Continuance**

The Board of Trustees hereby declares its intention that the provisions of this policy shall be construed and applied as a continuation of the provisions of the policy, as amended, insofar as applicable, and the repeal of any part of this policy shall not be construed as affecting such continuous application.

## RESOURCES

### Relevant policies

- Fiscal Management Policy
- Purchase Card Policy
- Purchasing and Procurement Policy

### Applicable law

RCW 27.12.210

### Board approved

- Original policy October 1, 1987
- Revised: April 12, 1999
- Revised: May 14, 2001
- Revised: July 10, 2006
- Revised: September 10, 2007
- Revised: April 21, 2008
- Revised: Oct. 20, 2008
- Revised (Renamed from Purchasing, Capitalization and Disposition Policy): July 16, 2018
- Revised: March 18, 2019
- Revised: November 15, 2021