

Fort Vancouver Regional Library District

Asset Management Policy

Purpose

As a governmental entity in the state of Washington, the Fort Vancouver Regional Library District (District) is responsible for having an approved Asset Management policy. The purpose of this policy is to establish criteria for the identification, depreciation, inventory, protection, and disposition of District assets and to comply with the Washington State Office of Financial Management's *Financial and Administrative Policies, Regulations, Procedures and Guidelines*. The District shall have procedures and guidelines identifying the processes used to safeguard, control and account for inventories of supplies and fixed assets; and a capital maintenance and replacement schedule. The Finance Director is responsible for managing the District's fixed assets.

Capitalization

The Library 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. 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 Collections

Print materials, DVDs, CDs, and other library collection material intended for customers' use are not considered Capital Assets or Small and Attractive Assets for the purposes of this 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

The District 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

FVRL shall adequately maintain its Capital Assets and Small and Attractive Assets to protect its investment and to minimize future maintenance and replacement costs. Department managers 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.

Lost or stolen property

When suspected or known losses of inventoried assets occur, FVRL will conduct a search for the missing property. The search should include transfers to other locations, storage areas or surplus goods. 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.

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 the District 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 District 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*).

Furthermore, surplus property shall consist of District assets that are no longer usable, are no longer of value to the District, or are otherwise surplus to the District's needs. Following approval, the District may utilize the most efficient means of disposition, and either sell (including private sale), donate, or discard the asset without prioritizing any one method unless specified by the Board of Trustees. Prior to disposition, all tags and other identifying information must be removed. The notification for sale can be accomplished through notices in the local newspaper(s) or on the District's web page. The Finance Director or her/his designee shall establish the current fair market value prices for any surplus items.

Disposition of library resources are addressed in the District's *Collection Policy*.

If another governmental entity expresses an interest in acquiring the surplus item(s), then the District may transfer these items via an intergovernmental transfer prior to making the item(s) available for sale.

Implementation

The Executive Director is responsible for the administration of this policy and for establishing administrative procedures for its implementation.

Board approved:

Original policy October 1, 1987

Revised: April 12, 1999

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