

**EAST COUNTY FIRE & RESCUE**  
Policies, Procedures, and Guidelines

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**SUBJECT: Fixed Assets Inventory Policy**

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**Revised:**

**APPROVED BY:**

*Gay P. Johnson*  
Board Chair

**REVIEWED:** \_\_\_\_\_

**BY:** \_\_\_\_\_

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### Authority

RCW 52.14 delegates to the Board of Commissioners of East County Fire & Rescue the responsibility of managing and administrating, on behalf of the tax payers of East County Fire & Rescue, all property, real and personal, occupied or used by said District. Members of East County Fire & Rescue are responsible for ensuring proper use, care, maintenance, and safekeeping of all property.

### Asset Management

The Fixed Asset Manager (FAM) of East County Fire & Rescue is responsible for implementing and carrying out the provisions of the Fixed Assets Inventory Policy.

### Property Definition

Property is defined as any capital or non-capital tangible item that is purchased, donated, or acquired through trade, regardless of value or condition. Capital equipment includes all equipment that is not permanently affixed to buildings, has a useful life greater than two years, does not change form with use, and has a unit cost of \$1,000.00 or more; except for items predominantly composed of glass and equipment held for resale or training purposes. Capital equipment is inventoried every two years.

Sensitive non-capital equipment (attractive assets) is all equipment that does not meet capital equipment specifications, but is deemed necessary to be inventoried because it may easily be converted to personal use. Sensitive non-capital equipment is inventoried every year. Examples include: Radios, chain saws, generators, lawn maintenance equipment, office equipment, etc. The tagging and inventory control of these assets are at the discretion of the FAM. Other non-capital items may be considered for inventory to meet state/federal/local requirements.

### Valuation

Purchased equipment is valued at the original invoice price. Donated equipment is valued at its fair market value at the time of donation. The valuation of constructed or fabricated equipment includes all identifiable costs such as blue prints, component parts, materials, and labor. Valuations also include additional costs necessary to make the equipment usable for the purpose

for which it was acquired. Examples of additional costs include freight, on-floor delivery, accessories, and installation costs. If the item was purchased using federal funds, the item must be inventoried regardless of value or cost.

### **Component Parts**

Component parts that individually cost less than the capitalization level, but when combined exceed this measure are capitalized when purchased as a functional unit. For example, when a monitor, keyboard, printer, and CPU are purchased separately, and each part costs less than \$1,000.00, but the functional unit exceeds \$1,000.00, the purchase is capitalized. Conversely, when purchasing a keyboard and printer only, the individual items are only capitalized if its purchase price exceeds \$1,000.00. Laptop computers are inventoried, regardless of cost.

### **Replacement Parts**

Subsequent replacements and enhancements made to a unit are capitalized if they meet the capital equipment specifications. Replacement parts that are acquired as part of normal repair and maintenance are not capitalized.

### **Constructed or Fabricated**

Constructed or fabricated equipment is capitalized if the cost of material and labor incurred by the District is \$1,000.00 or more and its useful life is two or more years. Labor cost is included when it is supported by documentation from an external source. Documentation normally includes an invoice or purchase order.

### **Acquisition Methods**

Property may be acquired through purchase orders, long-term financing, lease-purchase agreements, and donations. When an East County Fire & Rescue employee receives property, the FAM is notified by way of a Request for Property to be Inventoried Form (RPI). The RPI form initiates the tagging process and is used to update the equipment inventory list. Copies of the purchase order and invoice are also sent to the FAM.

### **Long-term Financing**

Capital equipment may be acquired through long-term financing. If this is the case, an RPI along with the necessary documents will be sent to the FAM for inventory purposes. This procedure allows capital equipment to be tracked in the same manner as items purchased via a purchase order.

### **Donations**

East County Fire & Rescue may acquire capital equipment through donations. Donated equipment is capitalized if it meets the capital equipment specifications on the date of gift. The

receiving agent acquires a donor letter that indicates the fair market value of the item. The Finance Manager retains the original and the FAM receives a copy.

### **Tagging and Inventory**

Upon notification of capital equipment or sensitive non-capital equipment (attractive asset) acquisition, the FAM issues the inventory identification number(s) and tags the equipment by affixing the tag number to the property. In certain instances, identification numbers are sent to the program manager who tags their own equipment.

When an inventory item is too small to tag, when placement of the tag on the item would hinder operations, or when exposure to weather would cause a tag to come off: The FAM shall record the pertinent details in the inventory log and note NO TAG. If possible, the FAM will etch the inventory number onto the item.

### **Disposal Methods**

If a program manager, or other East County Fire & Rescue personnel wishes to dispose of property, the FAM is notified by way of a Property Salvage Report (PSR). Property may be transferred, recycled, traded-in, or deemed surplus/obsolete/unserviceable in accordance with the guidelines listed below.

Property deemed surplus or transferred to an outside agency requires approval from the Board of Commissioners. Written approval must be received prior to final disposition. The equipment is then held for the required time period and disposed of in compliance with federal, state, and District policies. Equipment purchased with grant funds may require additional approval and/or documentation prior to being discarded.

### **Trade-in or Return of Property**

The program manager or FAM completes the PSR and records the District's identification number (if applicable) of the traded in equipment on the purchase order. The trade-in allowance must be clearly shown on the purchase order. This value is added to the acquisition cost of the new equipment to establish its value.

### **Surplus, Obsolete, Unserviceable Property and Transfers of Property to Other Institutions**

A member of the District notifies the FAM of surplus, obsolete, or unserviceable property with the PSR. The FAM examines and helps determine the items' condition and usefulness. The FAM notifies the Fire Chief and HR Manager of unusable equipment. The HR Manager then creates a Resolution for Board approval. The form is returned to the FAM as approved or unapproved. The equipment is then held for the required time period and disposed of (if approved) in compliance with federal, state, and District policies. This procedure also applies to transfers of property to an outside agency.

### **Lost or Stolen Equipment**

If a member of the District determines an item is missing or stolen, a "Lost or Stolen Equipment Report" will be submitted to the FAM. The FAM will record the cost and inventory identification number on the form prior to reporting the loss to the Fire Chief. The Fire Chief will determine whether the issue will be reported to the local authorities, State Auditor's Office, and/or Board of Commissioners.

### **Warranty Replacements**

The FAM shall be notified when an inventoried item is replaced under warranty.

### **Oversight**

The FAM will issue inventory reports to assigned personnel for their review and validation. Assigned personnel shall review the reports, locate identified equipment, note any corrections, fill out the appropriate forms for missing or obsolete items, sign and return the form to the FAM.

It is the intent of the East County Fire & Rescue Board of Commissioners to have ongoing "spot" checks of the inventory. The FAM will print a report at the request of the *designated audit* Commissioner and assist with locating the identified inventory item. The Commissioner, and FAM, will sign off on the report and forward to the HR Manager. The HR Manager will file the signed reports with the yearly State Audit Reports.

# East County Fire & Rescue

## Lost or Stolen Equipment Report

Equipment description:

Date of Loss

Estimated Value

Issued To

Location

### If Stolen

Was the Area Secure?

Yes

No

Date/Time Reported to Police

### Events Leading to Loss or Discovery of Loss

### Efforts Made to Locate Equipment

### Suggestions to Prevent This Type of Loss in the Future

Report Submitted by:

Date

# East County Fire & Rescue

## Property Salvage Report

Tag Number	Description of Asset	Serial Number	Status of Asset – Choose One					Comments
			Lost	Stolen*	Sold	Recycle or Scrap	Returned to Vendor	

\* A copy of the police report and/or a Lost or Stolen Equipment form must be submitted along with this form for stolen items.

Approved: \_\_\_\_\_  
Signature

Surplus Resolution Number \_\_\_\_\_

Date: \_\_\_\_\_