



Gig Harbor Fire & Medic One

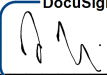
RESOLUTION 2023-07
May 23, 2023

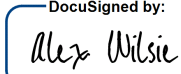
BE IT RESOLVED that the Board of Fire Commissioners of Pierce County Fire Protection District No. 5 hereby adopts the attached Capital Asset Policy which is attached hereto and incorporated herein by this reference and shall supersede and replace all prior editions of the policy:

Capital Asset Policy #6000.2.

Approved at a regular meeting of the Board of Fire Commissioners, Pierce County Fire Protection District No. 5, this 23rd day of May, 2023.

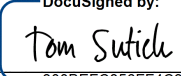
**PIERCE COUNTY FIRE PROTECTION
DISTRICT NO. 5**

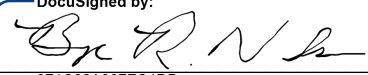
DocuSigned by:

1FCF7B4162474CD...
Chairman

DocuSigned by:

17F3C30A328E488...
Commissioner

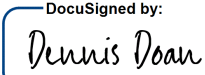
DocuSigned by:

2514C6FF99A0484...
Commissioner

DocuSigned by:

300BEFC866FF4C3...
Commissioner

DocuSigned by:

871C22A807FC4DD...
Commissioner

Attest:

DocuSigned by:

FD05A9A3C0B54D1...
District Secretary



GIG HARBOR FIRE & MEDIC ONE

Organizational Policy

Title: Capital Assets

Reference: 6000.2

Applies to: All Personnel

Approved by: Assistant Chief Perry Oldenburg
Finance Director Krystal Hackmeister

1.0 PURPOSE

This policy is established to provide guidelines to ensure adequate stewardship over District resources through control and accountability of capital assets, and to collect and maintain complete and accurate capital assets information required for preparation of financial statements in accordance with generally accepted accounting principles.

2.0 DEFINITIONS

Assets - are resources expected to add value to the organization. Assets may be real, intangible or tangible property and acquired through purchase, donation or construction.

Attractive (Theft Sensitive) Assets - are portable, durable items that do not meet the minimum capitalization threshold, but require special attention because of their potential to be stolen. Examples of these items include but are not limited to computers, laptops, tablets portable radios, mobile radios, SCBA, Apparatus Mobile Data Computers, thermal imagers, and cell phones. Regardless of initial acquisition cost, these items are tagged and tracked by the District, but are not capitalized.

Capital Assets - are expensive long-lived assets such as land, buildings, improvements, infrastructure, software, machinery and equipment. These assets can be tangible or intangible assets. The original cost (or fair market value if received by donation) of the asset must exceed the cost threshold amount set out for its asset category. The estimated useful life of the asset must exceed one year. Examples of items not considered to be capital are painting, new carpet and office remodeling.

Capital Asset Cost Threshold - is the minimum cost per unit at which an asset must be valued to be considered a capital asset. The various capital asset categories have different cost thresholds as set out in this policy. Assets purchased with grant funds may have a different threshold amount as stipulated by the grant. Usage and disposal of assets acquired by a grant are subject

to the grant agreement which supersedes this policy.

Capital Lease - is any agreement entered into by the District involving the lease of property and granting the lessor rights to the property similar to those rights which would have existed if the agreement had been that of an outright purchase. For accounting purposes, such leases will be accounted for as capital leases when the lease agreement meets GAAP criteria and the District's capital threshold.

Fixed Assets

Fixed assets are tangible, non-consumable items including, but not limited to: land, buildings, machinery, equipment, and vehicles owned by the District valued at \$10,000 or more with a life expectancy of over one year. The value of the fixed asset includes the purchase price plus sales tax, as well as costs to acquire (shipping and handling), install (excluding site preparation costs), secure, and prepare an item for its intended use. Improvements to an existing asset that extends the life of the asset are capitalized.

Small & Attractive Assets

Assets valued at less than \$10,000 that are defined as high risk for theft. These assets are not normally consumed within one year. These assets may include items in one or more of the following categories:

- a. Portable and marketable, either alone or as a component unit.
- b. Assets that can be utilized for personal gain.
- c. Assets repeatedly reported as lost and/or stolen within the industry and society.
- d. Assets considered small and attractive include but are not limited to the following:
 1. District credit cards
 2. Portable Radios
 3. Mobile Radios
 4. SCBA
 5. Apparatus Mobile Data Computers
 6. Laptops/tablets
 7. Thermal Imagers
 8. Cell Phones

Responsibility: Logistics Division is responsible for tracking, inventory and safekeeping of all assets assigned to the department. Each division is responsible for notifying the Logistics Chief, in writing, any assets purchased, sold, traded, transferred, surplus, lost or stolen. The Logistics division is responsible for keeping and updating the fixed asset information, coordinating the physical inventory process and developing procedures for the safeguarding of assets.

Capital Outlay: All assets with a cost of \$10,000 or more will be recorded as capital outlay. Although Small and Attractive Assets (assets costing less than \$10,000) do not meet the district's capital outlay threshold, due to ease of conversion to private use, they are considered assets for purposes of marking and identification, records keeping, and tracking.

3.0 REQUIREMENTS

The State of Washington Office of State Auditor Accounting Guidance (BARS) Cash manual, states the following, in part:

Capital Assets Management System (3.3.8.10): A capital assets management system is the set of policies and procedures used to control District's capital assets. The system should satisfy accounting/reporting requirements and it should demonstrate accountability for the capital assets.

Physical Inventory (3.3.8.60): A physical inventory of the capital assets is necessary to verify that the assets still exist; it also provides updates on the condition of the assets. This information demonstrates that the District is exercising its custodial responsibility for the asset.

The documentation will be retained in accordance with the Washington State Retention Records Schedule and must be retained until after the next annual audit.

4.0 CAPITALIZATION THRESHOLD

All assets with a cost of \$10,000 or more shall be capitalized. Although Small and Attractive Assets (assets costing less than \$10,000) do not meet the District's capitalization threshold, they are considered assets for purposes of marking and identification, recordkeeping, and tracking.

The following table provides the capitalization threshold for each category of capital asset:

Asset Category	Examples	Dollar Threshold
Land	Property parcels, Right of way, Easements	Capitalize All
Land Improvements	Walkways Parking lots Landscaping	50,000
Buildings & Improvements	Structure Major refurbishment/renovation , New roof	50,000
Improvements other than Buildings	Park developments Playgrounds, Drainage	50,000
Infrastructure	Roadways, sidewalks, Bike paths, bridges, Marina, utility lines	50,000
Intangible Assets	Software developed or obtained for internal use	50,000
Leasehold Improvements	Land/building improvements made to leased property	50,000
Capital leases	Capital leases	25,000
Network/Communications/Misc. Electronic Systems Equipment	Switches / radio systems / pay stations, Servers, etc.	25,000
Machinery & Equipment	General tools, printers, copiers, Office equipment, Office furniture, IT equipment, audio/visual equipment	10,000
Fleet Replacements	Vehicles, machinery and equipment replaced by Fleet	10,000

5.0 IMPROVEMENT/REPAIR/MAINTENANCE EXPENSES

Routine repair and maintenance costs will be expensed as they are incurred and will not be capitalized. Major repairs will be capitalized if they result in betterments/ improvements to the District’s capital assets. To the extent that a project replaces the “old” part of a capital asset, outlays will not be capitalized; and to the extent that the project is betterment/improvement, outlays will be capitalized.

6.0 VALUATION OF CAPITAL ASSETS

The District reports its financial activity on a cash basis. Expenditures for capital assets will be expensed at cost in the period the expenditure occurred.

7.0 TAGGING NEW ASSETS

All assets fitting descriptions of a fixed asset, small and attractive asset, and/or high-risk asset (other than infrastructure, vehicles, small tools, and computer) shall be recorded on asset listings maintained by the Logistics Division. All assets that are surplus or traded-in shall be removed from the fixed asset tracking.

8.0 DISPOSITION/TRANSFER OF FIXED ASSETS:

It is the responsibility of each division to report all fixed asset disposition and transfers to the Logistics Chief to ensure that proper record keeping is maintained.

- a. Disposition of Fixed Assets means ownership changes and includes selling, trading-in, salvaging, junking, donating or otherwise removing the Fixed Asset.
- b. Transfer between fire departments and other governmental entities shall comply with RCW 39.33.020 when the estimated value being transferred is more than \$50,000.

9.0 DISPOSAL OF SURPLUS ITEMS

- a. Before an asset is sold or otherwise disposed of, it must first be determined if the asset had originally been purchased with grant monies. If this is the case, the District must refer to the grant agreement and follow prescribed procedures for disposition and compliance under 2 CFR 200 Subpart D, Post Federal Award Requirements.
- b. Authority for surplus property with an estimated value under \$10,000, as surplus, for sale or disposal is delegated to the Fire Chief or their designee.
- c. Board may first declare an asset surplus before it can be sold for items valued at \$10,000 and above, or otherwise disposed of. If the asset is to be sold, it will then be sold in accordance with applicable state law.
- d. If the asset is no longer in working order and cannot reasonably be repaired for re-sale, the division manager, along with one other member of the management team will properly dispose of the asset and provide written documentation of disposal.

10.0 LOST, STOLEN, OR MISSING PROPERTY

When suspected or known losses of capital assets or small and attractive items occur, staff should conduct a search for the missing property. If the missing property is not found:

- a. Notify the Company Officer, followed by the BC, then DC.
- b. Have the individual deemed to be primarily responsible for the asset, as well as that individual's supervisor, complete and sign the Lost or Damaged Property, Apparatus, Equipment Form: a statement to include a description of events surrounding the disappearance of the property, who was notified of the loss, and steps taken to locate the property.
- c. The Finance division shall report known or suspected losses of capital assets to the State Auditor's office in accordance with RCW 43.09.185.