

McCLOUD COMMUNITY SERVICES DISTRICT
Policy and Procedure Manual

POLICY TITLE: Fixed-Asset Accounting and Inventory
POLICY NUMBER: 3030
ADOPTED: December 09, 2002
REVIEWED: May 22, 2014, August 8, 2018, August 12, 2020
REVISED: 01/08/28, 08/27/18, 09/14/20

3030.10 The purpose of this policy is to ensure proper accounting control resulting in the maintaining of accurate financial reports of fixed assets.

3030.20 An accounting or inventory of all fixed assets shall be conducted on an annual basis no later than June 30th. After the conclusion of said inventory, the General Manager shall certify its completeness and report the results thereof to the Board of Directors at its next regular monthly meeting.

3030.30 Applicable purchases for inclusion in said accounting shall be the following:

3030.31 Equipment, tools and vehicles that individually have an original total cost of more than \$5,000 and have a useful life greater than or equal to its Alternative Depreciation System (ADS) life as established by Internal Revenue regulations.

3030.32 All land and building acquisitions regardless of price; and,

3030.33 Additions or major improvements to the District's service infrastructure.

3030.34 Asset values will consider the capitalization of inhouse labor, associated labor costs, outside contractors, licensing, fees and permits in determining its actual cost.

3030.40 When any item defined in Section 3030.31 above is received, a tag with a unique identification number shall be affixed to said item, and the number recorded in the permanent inventory records.

3030.50 Inventory records shall be maintained a minimum of three (3) years past the assets disposition.

3030.60 Information to be maintained in said inventory records shall include, as applicable, at least the following:

- 3030.61** Asset number.
- 3030.62** Description.
- 3030.63** Manufacturer's serial number.
- 3030.64** Storage location.
- 3030.65** Original cost.
- 3030.66** Acquisition date.
- 3030.67** Life expectancy.
- 3030.68** Classification code (e.g., office equipment, vehicle, etc.).