



CAPITOL ASSETS POLICY

Policy Number: 051

Effective Date: 3/22/2017

Authorized by: Board of Trustees

Review Date: 3/01/2027

Approved March 22, 2017

1) Purpose:

The purpose of this policy is to establish criteria for the identification, inventory, protection, and disposition of Capital Assets and Small and Attractive Assets to make certain that public property is adequately protected and that its use is properly managed to protect public safety and avoid potential liability.

2) Scope:

This policy establishes a system for monitoring and safeguarding Capital Assets and Small and Attractive Assets.

3) Background:

Timberland Regional Library will maintain accountability over all tangible items so that public property is adequately protected and that its use is properly managed.

4) Definitions:

- A. Capital Assets: Items purchased by TRL that have an actual per-unit cost of \$5,000 or more (including sales tax, accessories and shipping) and an estimated useful life of two (2) years or more will be considered a Capital Asset. Any item that is donated with a current market value of \$5,000 or more, and an estimated useful life of more than one year will be considered a Capital Asset. This threshold is applied to individual assets rather than to an aggregation of assets. Capital Assets may include but not be limited to land and land rights; buildings, their furnishings, fixtures and furniture; equipment, computers, machinery, vehicles, and tools.
- B. Small Tools and Minor Equipment: Items purchased by TRL that have an actual per-unit cost of \$500-\$4,999 (including sales tax, accessories and shipping). Any items that are donated with a current market value of \$500-\$4,999 will be considered Small Tools and Minor Equipment. Small Tools and Minor Equipment may include but not be limited to furniture, equipment, and tools.
- C. Small and Attractive Assets: Items costing less than \$500 that are particularly vulnerable to loss will be considered a Small and Attractive Asset. An item that is donated with a current market value of less than \$500 and that is particularly vulnerable to loss will be considered a Small and Attractive Asset. Small and Attractive Assets may include, but not be limited to, computer peripherals, printers, cell phones, digital cameras, iPads, e-readers, tablets, laptops, and equipment such as interactive play panels.



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- D. Library Collection: TRL collects materials in all formats, including, but not limited to books, periodicals, downloadable videos, DVDs, compact discs, electronic databases, eBooks, eAudio, and other forms of content. Library collections intended for patron use are not considered Capital Assets or Small and Attractive Assets for the purposes of this policy, except that the Nook e-readers are considered Small and Attractive Assets.
- E. Physical Inventory: A procedure through which the existence of assets on the inventory list is confirmed by physically observing the assets at their location in the field.
- F. Risk Assessment: Identification of those Capital Assets that are particularly at risk or vulnerable to loss and adequately protected from loss, waste, or misuse.

5) Policy:

- A. TRL will establish and maintain an internal control structure for both Capital Assets and Small and Attractive Assets.
- B. Each Capital Asset and Small and Attractive Asset will have a numbered identifying tag attached upon receipt and proper inspection of the asset. Inventory lists will be maintained and managed by the Business Office and by Computer Services if related to a purchase of technology.
- C. Department and Library Managers hold the custodial responsibilities for assigned assets. Responsibilities include, but are not limited to, the proper care and locating, the safekeeping, and the protecting of the asset.
- D. A physical inventory of Capital Assets and Small and Attractive Assets will be conducted by the Business Office in conjunction with Department and Library Managers at least once per calendar year. Department and Library Managers will attest to the existence of the Capital Assets and Small and Attractive Assets for which they have custodial responsibilities and provide a risk assessment per TRL procedures.
- E. Certain Capital Assets, such as land, infrastructure, buildings, and improvements other than buildings, do not require an annual physical inventory due to their stationary nature.



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- F. If loss or theft of an asset occurs, or is perceived to have occurred, Department and Library Managers will immediately notify the Business Office. TRL Administration will review the circumstances and contact authorities when necessary.
- G. When it is determined that TRL no longer needs an asset, it will declare that asset to be surplus:
 - 1. The Board of Trustees must approve the disposition of all Capital Assets prior to the asset being removed from the inventory; TRL Administration must approve the disposition of Small and Attractive Assets prior to the asset being removed from the inventory
 - 2. Following the Board of Trustees approval, TRL will use the surplus program operated under the authority of RCW 43.19.1919 to transfer property with a fair market value of less than \$500 to another local government, or dispose of the asset per TRL procedures
 - 3. Prior to disposition, all tags and other identifying information must be removed
 - 4. Data on computers declared surplus will be removed; retain for six years all nonfinancial records relating to the process disposing of all non-real Capital Assets

6) References:

- A. Washington State Auditors Offices Budgeting and Reporting System (BARS) Volume 1, Part 3, Chapter 7.
- B. The Government Finance Officers Association's recommended practices - "Establishing Appropriate Capitalization Thresholds for Tangible Capital Assets," "The Need for Periodic Inventories of Tangible Capital Assets," and "Asset Maintenance and Replacement."

7) Citations:

RCW 43.19.1919.

By the enactment of this policy the Board of Trustees of Timberland Regional Library is concurrently rescinding any prior policy or procedure within TRL that is either in conflict with or expansive of the matters addressed in this policy.