

GUIDELINES

The basic guidelines for fixed assets is the purchase amount:

- EQUIPMENT – equal or greater than \$7,500
- WEAPONS – always capitalized regardless of the cost
- COMPUTER SOFTWARE - \$25,000
- Groups of like designated assets – equal or greater than \$50,000
- Additions or betterments to existing buildings – equal or greater than \$50,000

One of the key factors (besides the price) for “Groups of like designated assets” to determine if they fit the description is if they are component items and depend on each other to function. An example would be cubicles that have parts that are sold separately, but assemble together function as one. An example of what would NOT be “Groups of designated like items” are tables and chairs that are purchased together, but can individually function without each other.

EXAMPLES OF FIXED ASSETS

549000 – EQUIPMENT

Examples include machines, trucks, office furniture, fire trucks, heavy machinery, water trucks, copy machines, workstations, cameras, phone systems, off-road vehicles, radios, tools to fit each departments needs

549005 – VEHICLES

549010 – EQUIPMENT – INFO TECHNOLOGY

Examples include servers, processors, software, computers

549015 – FIREARMS

Examples include guns, tasers, rifles

550000 – STRUCTURES & IMPROVEMENTS

550020 – CONSTRUCTION

POLICY

General

- General equipment purchases with a life of more than one year, and a unit value of \$7,500 or greater are to be capitalized and approved by the Board. General equipment purchases less than \$7,500 are considered to be office supplies.
- Items having an individual unit cost of less than \$7,500 are not to be capitalized, except for weapons which are capitalized regardless of cost.
- Groups of like designated assets individually less than \$7,500, the cost of which in the aggregate exceeds \$50,000 and are purchased under a program for installation over a period of time, are to be capitalized.
- In the case of grant programs that purchase Fixed Assets, the capitalization rules in the grant document override this policy, unless this policy has a lower amount.
- Additions or betterments to existing buildings that are not readily removable should be capitalized. Minimum cost to be capitalized in this respect is \$50,000.
- All equipment purchases must have Board of Supervisors approval prior to purchase.
- Computer equipment such as CPU's, router's, etc. that interact with the County network must be approved by Information Systems prior to purchase. Monitors and non-network printers are deemed to be office supplies and follow the capitalization limits.