

## Section #160: Capital Assets

### 160.1 Introduction

It is the policy of the Board of County Commissioners (BOCC) to utilize generally accepted accounting procedures to record and account for the capital assets of the County Government and its agencies, offices, and operating departments.

This policy shall apply to all assets of the County Government and shall be complied with by all employees, officials, agencies, offices, and departments of County Government.

### 160.2 Accounting Principles for Capital Assets

The capital assets for County Government shall be recorded and accounted for according to the following principles:

1. Both tangible and intangible assets will be capitalized using the following criteria:
  - a. Land assets will always be capitalized; will be capitalized without regard to cost; and will not be depreciated.
  - b. Infrastructure will be capitalized if it has a life expectancy of five (5) years or greater and a designated value exceeding \$100,000; and infrastructure acquired after January 1, 1980, will be recorded as capitalized if it meets the criteria for capitalization;
  - c. Assets other than land or infrastructure, including leases on assets, will be capitalized if the asset or lease interest has a useful life of five (5) years or more and a designated value exceeding \$10,000; and
  - d. Assets which are acquired with grant funding or other committed revenues and which do not meet the criteria for capitalization will nonetheless be capitalized whenever the Director of Financial Management determines it to be necessary or advisable.
2. All capitalized assets shall be recorded and inventoried on forms established by the Director of Financial Management, and periodic physical inventories will be required. The separate agencies, departments, and offices shall maintain recorded and physical inventory of assets in its possession which have a cost of \$1,000 to \$10,000. Assets with a value of less than \$1,000 should be inventoried as needed for the prudent care of County funds and property.
3. Capitalized assets, other than land, will be depreciated using the straight-line depreciation method.
4. Capitalized assets will not be written off from the records or accounts of the County until the asset is disposed of physically.