

**Board of County Commissioners
Leon County, Florida**

Policy No. 02-5

Title:	Tangible Personal Property Policy and Procedures
Date Adopted:	December 13, 2005
Effective Date:	December 13, 2005
Reference:	Chapter 274, Florida Statutes
Policy Superseded:	Policy No. 02-5, adopted April 16, 2002; Policy No. 98- , adopted November 24, 1998; Revised December 13, 2005

It shall be the policy of the Board of County Commissioners of Leon County, Florida, that "Tangible Personal Property Policy and Procedures," adopted by the Board of County Commissioners on April 16, 2002, be superseded and a revised policy is hereby adopted in its place, to wit:

LEON COUNTY
TANGIBLE PERSONAL PROPERTY POLICY AND PROCEDURES

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SECTION I DEFINITIONS

1. County Tangible Personal Property is defined as property which:
 - a. is not fixed in place and not an integral part of a structure or facility;
 - b. is not an integral part or component of another piece of equipment;
 - c. has an original acquisition cost of \$1,000 or more;
 - d. is not consumed in use; and
 - e. has a useful life of one year or more after initial acquisition.
2. Property Custodian is defined as any department head, division head, or County employee under the Board of County Commissioners as designated by the County Administrator; any Constitutional Officer of the County, except for the Sheriff; the Court Administrator; and any other individual or entity having possession and control of County tangible personal property.
3. Custodian's Delegate means a person under the supervision of the Property Custodian, to which person the Custodian may delegate the use and immediate control of property, and from whom the Custodian may require custody receipts.
4. Property Control is the program within the Purchasing Division charged with the responsibility of maintaining the records for County tangible personal property, of conducting annual physical inventories of all tangible personal property owned by the County, of tagging or otherwise labeling property acquired by the County and of coordinating other matters related to County tangible personal property including its transfer, cannibalization, and disposal.
5. Fiscal Year means the County government's fiscal year (October 1 - September 30) as established by Section 129.04, Florida Statutes.
6. Surplus refers to items no longer needed or used by a custodian that are transferred to the Surplus Account and which may be obtained by other custodians.
7. Salvage refers to items that are unserviceable or uneconomically repairable and transferred to the Salvage Account pending Board approval for disposition through sale, donation or discard.
8. Storage refers to those items being stored at a facility other than the work location of a property custodian for use at a later date but retained on the custodian's inventory.

SECTION II TANGIBLE PERSONAL PROPERTY RECORDS AND REPORTS

1. Property Control shall record all tangible personal property acquired by the County in the Fixed Asset Accounting System. This system shall include all information required by Florida statute and the Rules of the Auditor General.
2. Each Property Custodian will be periodically furnished the Custodian Report of all property under his control. The Property Custodian should review the Custodian Report for accuracy and notify Property Control of any corrections required.
3. Property Control shall request monthly notification of property acquisitions from each property custodian.

SECTION III ACQUISITION OF TANGIBLE PERSONAL PROPERTY

1. Property is acquired by the County in several different ways:
 - a. By the direct purchase of property using County funds.
 - b. By donation from private individuals, state or other governmental agencies.
 - c. By the direct purchase of property using grant, state or federal funds.
 - d. By lease-purchase agreement.
2. Purchase of Property with County Funds:
 - a. Board Operations
 - 1) Each County Department, through the designated Department Head, is authorized to procure property through the County Purchasing Department if specifically budgeted in a "6400" object account and the individual item is over \$1000 in cost. Constitutional Officers have the authority to make procurements from their own budgets. The Sheriff's Department is specifically excluded from the provision of this manual.
 - 2) Acquisition by County Departments, except for the Health Department: The necessary information to record these procurements in the Fixed Asset Accounting System will be obtained by Property Control from the Finance Department through the data contained in paid vouchers. At the time this information is acquired, a property number will be assigned and the item will be tagged by Property Control in accordance with procedures described in Section VI of this policy.

- b. Constitutional Officers (Tax Collector, Property Appraiser, Supervisor of Elections, Clerk of Courts).
 - 1) The Departments under the Constitutional Officers acquire tangible personal property through procurement from their own budgets.
 - 2) In order for Property Control to record such items, it will be necessary for the Property Custodian/Delegate on these departments to provide information to Property Control for evaluation, tagging and subsequent inclusion of the property in the tangible personal property record. The Property Acquisition Form shall be used by the Custodian/Delegate to inform Property Control.
- c. Health Department
 - 1) The Health Department receives tangible personal property through procurement with State and/or County funds.
 - 2) It will be necessary for the Custodian/Delegate to use the same Property Acquisition Form as described above to inform Property Control of all acquired tangible personal property items.
3. Property Donated to the County:

Any tangible personal property donated to the County by governmental agencies, private enterprise or by individuals will be listed on the Property Acquisition Form by the appropriate Property Custodian and forwarded to Property Control within 15 days of receipt of such items. The form should include all known information on the item donated. Property Control will, as soon as possible, inspect the property and evaluate it as to serviceability and value, and then determine whether or not it should be included on the Property Record. All such items approved for inclusion in the inventory will be tagged and entered in the Tangible Personal Property Record.
4. Purchase of Property using grant, state or federal funds:

Tangible personal property acquired by any County agency or department from other resources such as Federal or State Grants shall be accounted for in the same manner as property acquired with County Funds. The Finance Department will notify the Custodian of any exception to this standard procedure (OMB Circular No. A-87).
5. Lease-Purchase Agreements:
 - a. In accordance with the criteria set forth in the Financial Accounting Standards Board's Statement No. 13, Accounting for Leases, all tangible personal property items acquired through lease-purchase agreement by any County department or agency will be included in the Tangible Personal Property Record at the beginning of the term of the agreement. Property Control will notify the department or agency receiving the item of any exception to this rule.

- b. It is the responsibility of the Property Custodian or Delegate to inform Property Control of all lease-purchase agreements pertaining to tangible personal property and to provide them with a copy of the agreement.

SECTION IV PROPERTY TRANSFERS AND SURPLUS PROPERTY

1. Transfers of tangible personal property between Property Custodians will be handled as follows:
 - a. The Custodian losing the property will, for each different gaining Custodian, complete one Transfer of Tangible Personal Property Form. On the form, the losing Custodian will include for each item the following: the Property Control Number, a brief description (including its serial number), and the unit cost. The form will then be sent to Property Control to initiate the transfer. A copy of the form will be forwarded to Facilities Management to move the item(s). Then the original will be forwarded to the gaining Custodian to sign and return to Property Control.
 - b. Property Control will make the necessary adjustments to the property records.
2. Surplus property will be held in place and reported to Property Control. If a redistribution of the property is not immediately possible, it will be moved to a designated storage site and deleted from the reporting Custodian's Property Record by Property Control.

SECTION V CANNIBALIZATION AND DISPOSAL OF RESIDUES

When a decision has been reached at the Custodian level to cannibalize or dispose of unserviceable or uneconomically repairable equipment, the following procedure will apply:

1. Prior to actual disposal or cannibalization, a request form outlining the contemplated action and the reasons for it will be completed by the Custodian and forwarded to Property Control. A request for approval will be forwarded to the Board of County Commissioners by Property Control. The Property Custodian will be advised of the Board's action by Property Control. The original request for cannibalization/disposal, as approved by the Board of County Commissioners, will be the basis for deletion from the Tangible Personal Property Record.
2. The County Landfill is the designated location for all junked property, unless the property is prohibited from being dumped at the landfill by law or regulation.

SECTION VI PHYSICAL INVENTORY, TAGGING AND CONDITION CODING OF PROPERTY ITEMS

1. Each item of tangible personal property located in inventory shall be marked or tagged with its property number and the inscription, "Property of Leon County, Florida", in accordance with Chapter 10.400, Rules of the Auditor General.

2. Physical inventories will be conducted by a Property Control Officer. Such inventories will be in coordination with the appropriate Property Custodian or his designated delegate. The individual taking the inventory should not be the Custodian charged with the items to be inventoried.
3. The type of inventory conducted will fall into one of three categories as indicated below:
 - a. New - The initial inventory for setting up the Tangible Personal Property Record of a new or reorganized department.
 - b. Annual - An inventory of all tangible personal property shall be taken once each fiscal year in each department.
 - c. Special - An inventory taken at the request of the Property Custodian, when there is a change of a Custodian or by direction of the Board of County Commissioners. An inventory shall be taken by Property Control of all tangible personal property within a department when there is a change in the Property Custodian or his designated Delegate.
4. The inventory will be an actual physical verification that a specific item exists at the site and in the condition indicated on the Tangible Personal Property Record. The most recent copy of the Tangible Personal Property Record will be used in the conducting of the inventory.
5. Every item located on the inventory will be classified as to its general condition and serviceability.
 - a. Property other than vehicles:
 - 1) Condition "1", Good means the item is serviceable, new or in almost new condition showing little sign of wear and tear.
 - 2) Condition "2", Fair means the item is still serviceable for its primary use, but shows definite signs of wear and tear.
 3. Condition "3", Poor means the item was found to be unserviceable at the time of inventory. Such items should be disposed of or declared surplus in accordance with applicable provisions in this manual.
 - b. Vehicle Condition Coding:
 - 1) Condition "1", Good, a serviceable vehicle with over 50% of its life expectancy, mileage and/or operating hours still remaining.
 2. Condition "2", Fair, a serviceable vehicle with less than 50% of its life expectancy, mileage and/or operating hours still remaining.
 3. Condition "3", Poor, a vehicle which is determined to be unserviceable.
 - c. Items previously marked or tagged, but for some reason the marking is not legible or is missing, will be retagged using the original Property Control Number.

6. If, during the Physical Inventory, tangible personal property is found that is not on the property record, and it is believed to be an asset of the County, action will be taken by Property Control to evaluate it and place it on the Property Record in the department where it was found.
7. Upon completion of an inventory, the Property Custodian will acknowledge acceptance of all property as listed on the current inventory report. It shall be the responsibility of the Property Custodian to trace and reconcile to the satisfaction of Property Control all discrepancies existing between the inventory and the Tangible Personal Property Record. Any discrepancies remaining unreconciled 15 days after inventory shall be reported by Property Control to the Board of County Commissioners for disposition.

SECTION VII SPECIAL ACCOUNTING AND REPORTING PROCEDURES

This section covers special procedures not otherwise outlined in this manual.

1. Lost or Stolen Property:
 - a. When it is evident that an item of tangible personal property has been lost or stolen, immediate action will be taken by the Property Custodian to locate it. If the item cannot be located, Property Control will be notified by memorandum.
 - b. Property Control will use the memorandum and any additional information as is appropriate as a basis for preparing the necessary agenda request to remove the item from the Property Records subject to the approval of the Board of County Commissioners.
2. Tangible Personal Property Installed on Vehicles or on Other Major Items of Equipment:
 - a. In the interest of economy, the County may, from time to time, purchase a vehicle or a major piece of equipment and subsequently purchase additional items for installation using County manpower and resources to complete the piece of equipment or to fill a special requirement.
 - b. Items of this nature will not be accounted for separately, but will be considered part and parcel of the basic major item. The Property Record will show the Base Cost as the cost of the basic item plus the cost of any additional item(s) installed thereon.
 - c. Items in this category include, but are not limited to, the following:
 - 1) Vehicle bodies.
 - 2) Installed hoists and winches.
 - 3) Installed air compressors.
 - 4) Storage tanks installed on vehicles or trailers.
 - 5) Installed flashing lights, light assemblies and sirens.
 - 6) Any other miscellaneous items similar to those above.
 - d. Excluded from this policy are radios and communication equipment which will be shown on the Tangible Personal Property Record separately.
 - e. The Property Custodian will notify Property Control of any changes to the basic

major item.

- f. When County warrants or other acquisition documents reflect procurement of items as are described above, Property Control will prepare the necessary documents to add the item(s) to the basic piece of equipment on the Property Record.
 - g. When a vehicle or other major piece of equipment is disposed of or traded, and the installed property item is recaptured for subsequent use, it will be the responsibility of the Property Custodian to advise Property Control of the action and of the anticipated use of the recovered item.
3. Internal Transfer of Property Between Locations:
- a. Some Property Custodians have large accounts with tangible personal property located in several different places. Examples are: Tax Collector, Supervisor of Elections, Clerk of the Circuit Court, Public Library, Public Works, etc. These different locations are identified on the Tangible Personal Property Record. It is the responsibility of the Property Custodian to advise Property Control of any transfer of tangible personal property from one location to another in order to keep the Property Record up to date. Notification should be made on the Transfer of Tangible Personal Property Form. Temporary transfers need not be reported, but all permanent or indefinite transfers should be reported as soon as they occur.
 - b. Property Control will update the Tangible Personal Property Record by entering all such transfers on the Property Record when notified.