FIXED ASSETS

6.1.0 Fixed Asset Acquisitions

6.1.1 Internal Controls

1. All major expenditures for fixed assets must be made under budgetary control. Control should be maintained over the actual costs in relation to the amounts authorized. When additional appropriations are required, authority must be obtained through the same channels as the original approval for expenditures.

2. Procedures should be in effect requiring the various sections and/or property locations to maintain fixed asset listings of all assets assigned to the unit/ location.

3. Responsibility for a unit's or location's fixed assets should be assigned to a responsible individual independent of the purchasing function.

4. An inventory of fixed assets should be taken at least once per year with reports of missing items filed by December 31 of each year in accordance with section 6.5.2. (See also Section 6.5.3 for a sample "Report of Equipment Loss" form.)

5. Transfers of fixed asset items should be reported in accordance with Section 6.2.0 of this manual.

6.1.2 Procedural Overview

1. Generally, each department must observe the following guidelines when purchasing fixed assets:

   a. Encumber all amounts needed for approved purchases. Encumbrances can be made without Board approval if the amounts were initially approved by the Board of Supervisors in the department's budget.

   b. Submit a requisition for items requested. See Purchasing and Stores' (PSD) Procurement Manual (available in each department's procurement section) and the FIRM Manual (Chapters 8 and 9) for details of the various purchase methods. Requisitions should be sequentially numbered and should contain proper specifications and reference information (descriptive literature, vendor reference, etc.). Incomplete requisitions will delay the procurement process. Consult PSD's Procurement Manual for requisition preparation instructions.