

OKANOGAN COUNTY COMMISSIONERS'

RESOLUTION 6 - 2024

A resolution adopting the county's revised Policies and Procedures for Inventory Control.

WHEREAS, previous Policies and Procedures for Inventory Control were approved via resolution 22-2013 on February 26, 2013; and,

WHEREAS, it has been recommended that a policy and procedure update be provided to comply with the requirements of the Auditor for maintenance of the county's Fixed Assets and to require strict controls for departmental administration of the county's assets; and

WHEREAS, a policy update will provide for the establishment of comprehensive procedures for the management of county property that will be consistent with the public interest and provide procedures to account for, record, and dispose of fixed assets; and

WHEREAS, a policy update will clarify definitions of assets to be inventoried, the process of accounting for county capital assets including conduct of physical inventories within established timelines for certifying the inventories to the Board of County Commissioners; and,

WHEREAS, establishing a clearer policy and procedure will safeguard the county's fixed assets and comply with state auditor requirements for asset control,

NOW THEREFORE, BE IT RESOLVED, by the Okanogan County Board of Commissioners that resolution 22-2013 is entirely rescinded; and

BE IT FURTHER RESOLVED, by the Okanogan County Board of Commissioners that the attached revised Fixed Asset Policy is hereby adopted; and

BE IT FURTHER RESOLVED, each and every office and department within Okanogan County is directed to comply with the policy within the timelines provided for in the policy.

DATED at Okanogan, Washington this 23 day of January, 2024.




ATTEST:


Laleña Johns, CMC, Clerk of the Board

**BOARD OF COUNTY COMMISSIONERS
OKANOGAN, WASHINGTON**


Jon Neal, Chairman


Andy Hover, Member


Chris Branch, Member

FIXED ASSET CONTROL

1. PURPOSE AND POLICY

The Board of Okanogan County Commissioners has determined that the establishment of comprehensive procedures for the management of county property is consistent with the public interest. The purpose of this policy is to provide procedures to account for, record, and dispose of fixed assets. Okanogan County is exempt from the provisions of chapter 36.34 RCW: PROVIDED, That Okanogan County shall retain all powers now or hereafter granted by chapter 36.34 RCW.

2. ACCOUNTABILITY FOR COUNTY PROPERTY

It is the policy of Okanogan County to maintain strict guidelines on the accountability of County owned fixed assets. Department Heads are responsible to safeguard all fixed assets in their care or custody, to comply with the requirements of the Auditor for maintenance of the Fixed Assets and to require strict controls in their department. Department Heads are responsible to be able to locate fixed assets upon the request of the Auditor or County Commissioners.

3. DEFINITIONS

FIXED ASSETS are long-term assets that have a life expectancy of more than a year that are central to the operation of the county/department. Fixed assets include both capital and small and attractive assets.

CAPITAL ASSETS are defined as tangible or intangible assets having initial useful lives of one year or more and a historical cost of \$5,000 (including sales tax, freight, shipping and handling fees) or more. Examples of capital assets are:

Land
Land Improvements to land (includes right-of-way and easements)
Buildings
Building improvements
Parking Lots
Vehicles
Machinery and Equipment
Works of Art and Historical
Treasures
Software
Infrastructure assets, and
All other tangible or intangible assets with a historical cost of \$5,000 or more

SMALL AND ATTRACTIVE ASSETS: are defined as easily moveable, desirable items with a unit cost of \$4,999.99 or less and have a life expectancy of more than one year.

Concealable items are defined as small enough to fit into one's pocket, bag, briefcase or backpack. Examples include but are not limited to: electronic devices, radios, weapons, firearms and accessories, laptops, communications equipment such as smart phones, optical devices, binoculars, cameras and photogenic equipment, etc.

Portable items are defined as medium sized assets that can be easily carried. This would not include more permanent fixtures such as desks, office chairs, tables, file cabinet, etc. Examples include but are not limited to: televisions, computers, printers, mobile hand or power equipment, rescue equipment, monitors, modems, cpu's, projectors, ladders, sprayers, welders, hand trucks, DVD players, etc.

Department Heads are responsible for the tracking and reporting of all computers, monitors, laptops, printers etc assigned by Central Services to his or her department.

RECONCILIATIONS identifying those assets that were purchased or transferred-in but not added to or changed on the individual capital asset records or listings of small attractive assets, and investigating the disposal or transfer-out of assets not located.

ACCOUNTABILITY means the obligation to demonstrate good management of or control over those items (tangible or intangible) that an agency is responsible and capable of being explained.

INFRASTRUCTURE means roads, bridges, sidewalks, water lines, sewers, drainage systems, and the like.

4. GENERAL POLICIES

4.1 Fixed Asset Accounting System

The County is responsible for maintaining a Fixed Asset Accounting System that provides sufficient information to account for all fixed assets purchased and owned by the County. In addition to capital assets, all firearms owned by the County or retained by the Sheriff in compliance with RCW 63.40 (unclaimed property) will be maintained on its small and attractive inventory list and in the designated accounting system.

All fixed assets (capital and small and attractive) must be entered into the designated accounting system which will assign an asset number. The system assigned asset number shall be fixed to the asset for identifying purposes. Whenever feasible, each piece of County property will be engraved or marked with the County's name and asset number. The asset record must contain a serial number, model or other identifying information in addition to the system assigned asset number.

The Commissioners' Office will maintain processes and forms, as a part of this policy and procedure, designed to ensure ongoing accountability for county assets. Department Heads are responsible to comply with the requirements of the Commissioners for maintaining property accountability.

4.2 Inventory to be Completed Annually

Annually, each Department Head is responsible for conducting a physical inventory and certifying the existence of every asset in their custody and properly noting any additions, changes, or deletions from the list using methods and/or forms prescribed by the Commissioners. By certifying the inventory, the Department Head is verifying that a physical inventory of the assets in the custody of the department has been accomplished, that reasonable efforts have been made to ensure the accuracy of the inventory, and that, to the best of his/her knowledge, the inventory is an accurate reflection of assets in the custody of his/her department.

The Clerk of the Board will send a request along with the appropriate format worksheets and this policy to all Department Heads no later than January 31st of every year. Each Department Head will transmit a list on the appropriate worksheets of all reconciled fixed assets (capital and small and attractive items) within their department's custody together with the Department Head's certification to the Clerk of the Board no later than March 1st of every year. The Board of County Commissioners will certify the compiled fixed asset (capital and

small and attractive) list as submitted by the Clerk of the Board as required by RCW 36.32 no later than July 1st of each year.

4.3 Titles and Deeds

All assets that are required to be titled through the Department of Licensing will be in the name of Okanogan County. Department Heads are responsible for ensuring that the title of all county vehicles have the correct name (Okanogan County) and address (see below). The physical titles will be maintained at the following designated addresses:

Public Works – 1234A 2nd Ave S. Okanogan WA 98840

ER&R – 28860 HWY 97, Okanogan WA 98840

All other County Departments – 123 5th Ave N, Room 150 Okanogan WA 98840

All land and/or building purchase agreements will be in the name of Okanogan County. The Board of County Commissioners or designee will ensure that any land or building purchase documents are duly recorded in the Auditor's office and will maintain all original documents at 125 5th Ave N, Room 150 Okanogan WA 98840.

4.4 Transfer of Asset to another Department

With the exception of real property, asset surplus to a county department may be transferred to another department. If the item is a capital asset, the department that transfers the asset will, prior to the transfer, complete an "Okanogan County Asset Form" transferring the item to the receiving department and will obtain the signature of the Department Head in the receiving department. The form will then be submitted to the Clerk of the Board for final commissioners' resolution authorization. Both the transferring and receiving department will then update their respective lists.

4.5 Loss, Destruction, or Theft of Asset

Any employee or volunteer who discovers that an asset has been lost, stolen, or destroyed will immediately notify his/her Department Head. If the loss is due to the, vandalism, or other illegal activity the Department Head will ensure that the appropriate lawenforcement agency has also been contacted. The Department Head will notify the Board of County Commissioners and County Auditor within 24 hours that they were made aware of a lost, stolen, destroyed or missing asset.

If the loss is a capital asset, the Department Head shall, within two business days, submit an "Okanogan County Asset Form" detailing the loss, to the Clerk of the Board. The Clerk of the Board will record the loss in the designated accounting system.

5. DISPOSITION OF FIXED ASSETS

5.1 Declaration of Surplus

Any fixed asset owned by the County, not meeting the definition of "worthless" in this policy, and that is not needed at present or for foreseeable job requirements, may be declared surplus by the Board of Commissioners in ~~in a public hearing~~ accordance with RCW 36.34. Prior to disposing of any such property, the item must be declared surplus by resolution of the Board of Commissioners.

Fixed assets must be declared surplus by the Board of County Commissioners prior to disposition, even if the item has been determined to meet the definition of "worthless."

5.2 Disposition of "Worthless" Assets or Assets Illegal or Unsafe to Possess

All assets owned by the County that have been either determined to be "worthless" as used in this policy, and that are unsafe or illegal to possess by the public will be disposed of by physical destruction which renders them useless, safe, and legal. Other "worthless" assets may be destroyed or may be recycled as an alternative to being destroyed. If the cost of recycling is greater than the cost of the destruction of the asset, the Board of County Commissioners are authorized to approve the higher recycling cost at their discretion.

5.3 Employees Prohibited from Taking Possession

County employees and volunteers are prohibited from taking possession of any County owned asset, including unclaimed property in the hands of the Sheriff that is being disposed of except by means of bidding at public auction as allowed by RCW 42.23.030. This prohibition includes taking an item even if it is being disposed of as worthless or in the garbage.

5.4 Tax Foreclosure Property

Per RCW 84.64.080 (8) "No county officer or employee may directly or indirectly be a purchaser of county foreclosure property".

5.5 Disposition of Fixed Assets with Value

Fixed assets that do not meet the criteria in section 5.2 above may be disposed of in one or more of the following methods. The disposition of fixed assets will be approved by resolution of the Board of Commissioners. Before disposing of surplus property with an estimated value of more than fifty thousand dollars (\$50,000), the County shall advertise and hold a public hearing in accordance with RCW 39.33.020.

- a. Public Auction - Fixed assets may be advertised as set forth in RCW 36.34.100 for disposal at public auction. In order to decrease costs and increase revenue, the County shall advertise to the extent deemed necessary to affect an advantageous sale and may join with other jurisdictions in combined sales. The use of on-line, electronic marketing for public auction purposes under this Policy is an acceptable procedure.
- b. Other Governmental Agencies - Fixed assets may be transferred, sold, or traded to other governmental jurisdictions and agencies in accordance with this policy.
- c. Transfer for Affordable or Public Housing - If the Board of Commissioners determines that disposition of a fixed asset, including real property, for purposes of providing affordable housing is in the public interest, the fixed asset may be transferred, sold for any amount of consideration deemed appropriate by the Board, or traded to the Housing Authority of Okanogan County or other agency in accordance with this policy.
- d. Trade In - Fixed assets that are equipment may be used as "trade in" on the purchase of other equipment in accordance with RCW 36.34.070.
- e. Exchange of Real Property - Real property assets may be exchanged for private property.

There are no special provisions in state statute for transfer of fixed assets to non-profit or charitable agencies. Transfer of fixed assets to non-profit and/or charitable agencies must be in accordance with the County's normal procedures for disposition of property to the public.

5.6 Procedures for Fixed Asset Disposition

The following are general procedures and responsibilities for the disposition of fixed assets:

- i. Department Head or Assigned
 - 1. Identifies fixed assets no longer of use by the County now or in the foreseeable future.
 - o Determines which, if any, items are "worthless". Items that are determined to be "worthless" that are not on the fixed asset list, can be destroyed or recycled by the department heads.
 - o Determines where other items will be stored until disposition.
 - o Enters disposition information if assets are listed on department's inventory of attractive items.
 - o If the item is to be disposed of by transfer or trade-in, submits the call for hearing and resolution declaring the assets surplus and authorizing disposition to the Clerk of the Board according to policy.
 - o Enters disposition information on assets listed on designated fixed asset system.
- ii. Clerk of the Board
 - 1. Receives listings of assets to be declared surplus from departments.

2. Prepares call for hearing and resolution declaring the assets surplus and authorizing disposition and submits the list and documents to the Commissioners for authorization.
 3. Makes arrangements for disposition of surplus property
 4. Works with other local agencies to hold combined sales to reduce costs.
 - o Coordinates with Auditor for Deposits of revenues to appropriate funds.
- iii. Board of Commissioners
1. Conducts public hearings on declaration of surplus property and on disposition of property declared surplus.
 - o Approves all declarations of surplus property and disposition of property declared surplus by resolution.
 - o Enters into agreements with other jurisdictions for joint disposition of surplus property.

6. GRANT FUNDED FIXED ASSETS

Fixed Assets purchased with grant money may or may not be the property of the County. Rather, they may be custodial assets whose title rests with the granter. Some grant funded fixed assets may be purchased by the County while others may not go through the County's purchasing and accounts payable systems. County Officials are responsible to maintain an inventory of these assets in accordance with guidelines in the OMB Circular A-102 Common Rule or Federal Catalog OMB A-87 and the applicable federal, state, or private grants contract. Fixed assets owned by a granting agency and in the custody of the County will be included in the designated Fixed Asset Accounting System, with the appropriate grant source included in the record. The use, transfer and disposal of these assets are subject to the requirements in the grant contract and this policy as well as state and federal regulations.