



# Employee Policies and Procedures

## Title: Fixed Assets

Document Number – FIN 1.08

### I. Purpose

To document the policies and procedures related to the installation, transfer or disposal of a fixed asset.

### II. Definitions

Fixed Asset: A long-term tangible property or piece of equipment having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the capitalization level that is established.

### III. Scope

This policy shall apply to all employees of the Town of Jupiter.

### IV. Policy

Florida Statute 274.02 requires governmental units to maintain a record and inventory of certain tangible property, including fixtures and non-consumable items, and to establish rules for recording and periodically reviewing this property for inventory purposes.

Federal Regulation 2 CFR Part 200, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, establishes a threshold of \$10,000 for Equipment that is purchased utilizing Federal grant funds.

As the Town has purchased equipment in the past utilizing Federal grant funding, and anticipates doing so in the future, the Town shall follow the capitalization threshold established in 2 CFR Part 200 as the asset threshold for the Town.

In addition to the 2 CFR Part 200 capitalization threshold, the Town has a separate software capitalization threshold.

Capitalization Threshold	Fixed Asset Type
\$10,000	Everything Except Software
\$25,000	Software

A complete physical inventory of fixed assets must be conducted at least once every three years.



## V. Procedure

When fixed assets are paid through the Town's accounts payable process, specific information pertaining to the asset is transferred to a pending assets file. From this file, an asset is created using the data entered in accounts payable. This data may include but is not limited to the asset description, amount, check number, purchase order number, in-service date, check date, project number and vendor. The Finance department will input any applicable sub-account, group, category, class, improved asset ID (if an improvement to an existing asset), asset ownership (G=Governmental, P=Proprietary), purchasing department, install and purchase cost (if different from purchase order), general location, serial number, model number, manufacturer, tag number, comments as necessary, and assign an asset number.

In addition to new and improved assets, the Finance department is responsible for recording and verifying asset transfers and disposals. A Notification of Intent to Transfer Fixed Asset form must be completed prior to an asset being transferred. This form must be signed by both the transferring and receiving department head and verified by Finance.

Asset disposals are handled in a similar manner. A Notification of Intent to Dispose Fixed Asset form must be completed prior to the disposal of an asset. The form must be signed by the department head, the Finance department, and the Town Manager. Once Finance receives the fully executed form and returns it to the appropriate department, the asset will be removed from the inventory system and the asset may be disposed of in the approved manner.

On a three-year basis, the Finance department shall request that a fixed asset inventory be conducted of all fixed assets. Upon receipt of this information, the Finance department shall update the fixed asset database to record any changes.