



Legislation Text

File #: 2008-0158, **Version:** 2

Clerk 08/18/2008

AN ORDINANCE relating to capitalization threshold, property management, and controllable assets; and amending Ordinance 12045, Section 21, as amended, and K.C.C. 4.56.030.

STATEMENT OF FACTS:

1. Capitalization is the recognition of capital outlays as capital assets in the balance sheet or statement of net assets. Capital assets are assets that are used in operations and that have useful lives greater than one year. As capitalization is focused on financial reporting, a capitalization threshold is commonly established in order to exclude numerous low-cost items thereby reducing tracking costs and improving efficiency of the capital assets system.

2. For practical considerations, the established capitalization threshold is also adopted in defining what constitute personal property under the King County Code. However, effective property management acknowledges that certain items ("controllable" items) by their nature or circumstance need to be controlled regardless of their cost such as: a. items that pose a danger to public safety (weapons); b. grant assets required to be tracked by the grantor; and c. "attractive" items that are high-risk for loss. While these items may be appropriately included in the personal property inventory, the associated cost need not be capitalized for financial reporting.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 12045, Section 21, as amended, and K.C.C. 4.56.030 are each hereby amended

to read as follows:

The fleet administration division of the department of transportation shall keep documentation of the county personal property inventory.

A. The fleet administration division shall review the department and agency inventory reports and investigate any large or unusual lost, stolen or unlocatable inventory amounts. The division shall compare current year amounts with previous years and to what is currently on hand. "Large" shall mean any dollar amount equal to, or in excess of, the current capitalization rate.

B. The personal property inventory shall include all items with a capitalization rate ~~((of \$1,000))~~ equal to or greater than the current capitalization threshold for equipment established in the federal Office of Management and Budget Circular No. A-87, Cost Principles for State, Local, and Indian Tribal Governments. All weapons shall continue to be ~~((capitalized))~~ tracked countywide by the fleet administration division, personal property section. Other below-threshold items that individual departments want to control may be managed at the department level in accordance with guidelines established by the fleet administration division, personal property section.

C. One employee in each department or agency shall be designated as the department's or agency's inventory contact. Property disposal in any department or agency shall be initiated by the inventory contact and approved by the department director or agency head. Documentation shall require the signatures of both the inventory contact and the department director or agency head, as applicable, on the disposition forms sent to the fleet administration division. No transactions will be valid without both signatures.

D. The employees in the fleet administration division who are involved in the inventorying and disposing of county personal property, as designated by the manager of the fleet administration division, and members of their immediate families shall be prevented from purchasing or otherwise participating in the purchase of surplus personal property.

E. At each sale a bidder sign-up sheet shall be posted to indicate whether the bidder is employed by the

county, and, if so, in which department or agency, or whether any member of their immediate family is employed by the county and, if so, in which department or agency.

F. The fleet administration division will maintain comprehensive documentation of all

personal property sales, including those items specified in RCW 36.32.210, as amended, and will document each deletion or change that is made to the final property sale listing.