

## Ritzville Library District #2

### **Fixed Asset Policy**

#### **PURPOSE**

The purpose of this policy is to establish criteria for the identification, depreciation, inventory, protection and disposition of fixed (capital) assets. A fixed asset includes land and land rights, buildings, furnishings, fixtures and furniture, equipment, machinery, vehicles and tools.

#### **IDENTIFICATION**

Any item purchased by Ritzville Library District #2 (RLD2) that has an actual cost of \$5,000 or more (including sales tax, accessories and shipping) and an estimated life of one (1) year or more shall be considered a fixed asset. Any item that is donated and has a current market value of \$5,000 or more shall be considered a fixed asset.

The only exceptions will be assets acquired by grant funds from other governmental agencies. Assets purchased using grant funds will be identified based on the requirements of the grantor. The Finance Department is responsible for meeting all requirements of grantors and bond covenants in regard to the purchase, use and disposition of assets purchased with these funding sources.

#### **DEPRECIATION**

In accordance with the Budgetary, Accounting and Reporting System (BARS) for Library Districts, fixed assets are expensed during the year of acquisition. There is no capitalization of fixed assets, nor allocation of depreciation expense. Inventory, including collection materials, is expensed when purchased.

#### **INVENTORY**

An inventory of assets will be performed on a three (3) year revolving basis. All fixed assets will be tagged and an asset inventory will be maintained.

For insurance and informational purposes, the library may keep a small and attractive item inventory with a lower threshold.

#### **PROTECTION**

RLD2 is responsible for the custody, insurance, maintenance and repair, and planning for assets. The Library Director is responsible for the maintenance and security of the asset, as well as the protection of small and attractive assets.

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### **DISPOSITION**

When it is determined that RLD2 no longer needs an asset or an asset has been stolen, it will declare those assets to be surplus. The Board of Trustees must approve an asset for disposition prior to the asset leaving the control of RLD2. After Board approval, RLD2 may sell, donate or dispose of the asset. Prior to disposition, RLD2 must remove all tags and other identifying information.