

POLICY: **Fixed Assets and Inventory**
EFFECTIVE DATE: **07/27/21**
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#848

POLICY

It is the policy of the District to maintain control and protect its fixed assets.

PURPOSE

This Policy is designed to ensure that there is a process for acquiring, insuring, and maintaining fixed assets.

SCOPE

This Policy applies only to fixed assets and inventories of supplies kept in large quantities.

This Policy is not intended to replace, but rather supplement existing purchasing, asset disposal, and other District policies.

DEFINITION FOR THIS POLICY

Fixed Asset—tangible or intangible property usually valued at \$500.00 or more per item, that is likely to have a useful life beyond one year, such as apparatus, firefighting equipment, electronic equipment, office furniture, computer software, or training materials.

Cannibalize—use of a fixed asset as a source of spare parts for another, similar fixed asset

RESPONSIBILITY

It is the responsibility of the **Board of Directors** to approve the acquisition of fixed assets above five hundred dollars (\$500.00)—including donations of fixed assets.

It is the responsibility of the **Board of Directors** to provide insurance to minimize hazard and theft risks to fixed assets.

All employees have the responsibility to protect the District's fixed assets and supplies.

The **Treasurer** has the responsibility for administering this Policy.

PRACTICES

1. The Treasurer will:
 - a. Maintain a file for each fixed asset, including model and serial numbers (if applicable);
 - b. Ensure that sufficient insurance is provided for newly acquired fixed assets;
 - c. Review purchase substantiation compliance as fixed asset transactions are recorded within the District's accounting system; and
 - d. Ensure written conditions for donated fixed assets are tracked for fulfillment, especially federal and state surplus property, e.g., inspections; tests; painting; decaling; etc.
2. Inventories of supplies kept in large quantities shall be protected in such a way to prevent excessive use, damage, or theft, e.g., locked in a closet.
3. Upon receipt by the District, all fixed assets will be documented using **Fixed Asset Form 848-1** and checked-in to ensure that the fixed asset was received and in what condition. To the extent possible, all fixed assets will be tagged upon receipt. After property tags are affixed to a fixed asset, it will be delivered to the recipient.
4. Before the end of each year, the Treasurer will provide a listing of all fixed assets to the appropriate personnel for reconciliation purposes. After reconciliation, additions and deletions shall be recorded in the District's accounting system and a recap provided to the Board of Directors.
5. The security and physical safeguarding of equipment is the responsibility of whomever possesses physical control. Fixed assets may NOT be cannibalized, disassembled, thrown away, trashed, transferred, sold, donated, given away, or traded-in unless Disposal of Assets Policy #806 is followed.
6. Whoever possesses physical control of each fixed asset will implement a written inspection and preventative maintenance program, including when scheduled inspections and preventative maintenance should occur. Forms shall be used to make a record of all inspections and preventative maintenance activities.

7. Fixed assets may be used by employees away from District property; however, documentation to that effect, clearly identifying the fixed asset and property tag number shall be kept by the Fire Chief or designee using ***New Member Checklist Form 254-5***.
8. For lost fixed assets, whoever possessed physical control of the fixed asset shall address a memo to the Treasurer explaining the loss. The memo should explain what action will be taken to prevent future losses.
9. For stolen fixed assets, whoever possessed physical control of the fixed asset shall report the theft to law enforcement so that a copy of the law enforcement report and a memo can be addressed to the Treasurer that explains all known facts regarding the theft, including an explanation of what action will be taken to prevent future theft.

RELATED POLICIES

Disposal of Assets 806
Donations of Gifts 812
Purchasing 824

REVISION HISTORY

Revision Date	Author	Revision Details
July 27, 2021	Monte Olsen	Initial version