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Policy 455**

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PROPERTY CONTROL

.1 PURPOSE AND POLICY

The Board of Clallam 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 establish comprehensive procedures to account for, record, and dispose of fixed assets. Clallam County is exempt from the provisions of chapter [36.34](#) RCW: PROVIDED, That Clallam County shall retain all powers now or hereafter granted by chapter [36.34](#) RCW.

.4 ACCOUNTABILITY FOR COUNTY PROPERTY

It is the policy of Clallam County to maintain strict guidelines on the accountability of County owned fixed assets. County Officials 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 Accounting System, and to require strict control of fixed assets in their department. County Officials are responsible to be able to locate fixed assets upon the request of the Auditor or County Administrator.

.5 GENERAL POLICIES

5.1 Fixed Asset Accounting System Maintained by the Auditor

The Auditor is responsible for maintaining a Fixed Asset Accounting System that provides sufficient information to account for fixed assets 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 will be maintained in the Fixed Asset Accounting System.

The Auditor will maintain processes and forms, as a part of this policy and procedure, designed to ensure ongoing accountability for capital assets. County Officials are responsible to comply with the requirements of the Auditor for maintaining property accountability.

5.2 Attractive Asset Accounting System Maintained by County Official

In addition to the Auditor's system for accounting of capital assets, County Officials are responsible for maintaining an internal inventory system within their department for attractive items (all items coded to Capital Minor Equipment 35.0100).

5.3 Inventory to be Completed Annually

- Capital Assets - At least annually, the Auditor will transmit a list of all capital assets in the custody of each Fund/Department/Program in the County to the appropriate County Official. The annual audit will be completed and ready for Board of Commissioner certification as required by RCW 36.32 prior to 1 March.

Each County Official is responsible for certifying the existence of every fixed asset on the list and properly noting any additions, changes, or deletions from the list using methods and/or forms prescribed by the Auditor. By certifying the inventory, the County Official is verifying that a physical inventory of capital 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 capital assets in the custody of his/her department. The inventory and certification shall be completed in the time period prescribed by the Auditor.

- Attractive Items - At least annually, the County Official shall cause a physical inventory of attractive items to be completed within his/her department. The physical inventory shall ensure that all attractive items are accounted for, assigned to the proper employee, and that new items, transferred items, or items disposed of have been properly recorded. Each department's attractive items inventory is subject to review by the Auditor.

5.4 Capital Asset Purchases

All purchases of capital assets will be charged to a 64.XXXX series object. The County Official or his/her designee receiving the capital asset will, within two business days of receipt, submit a completed "Capital Asset Data Form" to the Auditor. The Auditor will add the item to the Fixed Asset System.

5.5 Transfer of Asset to another Department

With the exception of real property, assets 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 a "Capital Asset Data Form" transferring the item to the receiving department and will obtain the signature of the County Official in the receiving department.

5.6 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 County Official. If the loss is due to theft, vandalism, or other illegal activity the County Official will ensure that the appropriate law enforcement agency has also been contacted.

If the loss is a capital asset, the County Official shall, within two business days, submit a "Capital Asset Data Form" detailing the loss, to the Auditor. The Auditor will record the loss in the Fixed Asset System.

.6 DISPOSITION OF FIXED ASSETS

6.1 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 after a public hearing. Prior to disposing of any such property the item must be declared surplus by resolution of the Board of Commissioners.

Capital assets must be declared surplus prior to disposition, even if the item has been determined to meet the definition of "worthless."

6.2 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 recycling does not create cost or liability to the County in excess of what would be created if the assets were destroyed.

In addition to the quantifiable costs identified to dispose of recyclable assets, the County imputes a social value to the process of recycling an asset as opposed to destroying it. This social value is deemed to be 20 percent of the expected cost to destroy the asset in question if the asset were to be destroyed in a manner that is usual County practice for this asset.

A County Official who wishes to consider a recycling agreement with a social cost higher than that allowed in the prior paragraph, may request authorization for the higher cost from the County Administrator. The County Administrator is authorized to approve a higher social value at his discretion.

6.3 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 law. This prohibition includes taking an item even if it is being disposed of as worthless or in the garbage.

6.4 Disposition of Fixed Assets with Value

Fixed assets that do not meet the criteria in section 6.2 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.

- 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 effect 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.
- Other Governmental Agencies – Fixed assets may be transferred, sold, or traded to other governmental jurisdictions and agencies in accordance with this policy.
- 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 Clallam County or other agency in accordance with this policy.
- 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.
- Exchange of Real Property – Real property assets may be exchanged for private property.
- Exception for Career Service Handguns – Handguns used by Commissioned deputies of the Clallam County Sheriff's Office retired from service in good standing, or for non-mental or non-stress related disabilities, and once declared surplus, may be purchased at private sale as used equipment by the former deputy.

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.

6.5 Procedures for Fixed Asset Disposition

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

- County Official
 - Identifies fixed assets no longer of use by the County (including other departments) now or in the foreseeable future.
 - Determines which, if any, items are "worthless". Those items determined "worthless" that are not on either the Fixed Asset System or the department's inventory of attractive items are destroyed and a listing of items destroyed is maintained by the department. "Worthless" items on either the department or Auditor's inventory must have a "Disposition of Fixed Assets" form completed and appropriate updates made to the accounting system to reflect destruction.
 - Determines where other items will be stored until disposition.
 - Completes a "Disposition of Fixed Assets" form on all other fixed assets and submits the form to the Treasurer and Auditor.
 - Enters disposition information if assets are listed on department's inventory of attractive items.
 - 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.

- Treasurer
 - Receives listings of fixed assets to be declared surplus from departments.
 - Prepares call for hearing and resolution declaring the assets surplus and authorizing disposition and submits the list and documents to the Clerk of the Board.
 - Makes arrangements for and supervises sale of property at public auction.
 - Works with other local agencies to hold combined sales to reduce costs.
 - Deposits revenues in appropriate funds.

- Auditor
 - Receives listings of fixed assets to be declared surplus from departments.
 - Enters disposition information on assets listed on Auditor's Fixed Asset Accounting System.

- Board of Commissioners
 - Conducts public hearings on declaration of surplus property and on disposition of property declared surplus.
 - Approves all declarations of surplus property and disposition of property declared surplus by resolution.

- Enters into agreements with other jurisdictions for joint disposition of surplus property.

.7 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 grantor. 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 Federal Catalog OMB A-87 (available in the Auditor's Office) 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 Auditor's Fixed Asset Accounting System and/or department inventory of attractive items as applicable, and removed or transferred to County ownership at the end of the grant period as appropriate. These assets will be subject to the requirements of this policy where they do not conflict with state, federal, or contractual requirements.