





HUTTO FIRE RESCUE

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #3

STANDARD OPERATING PROCEDURES

<p>STANDARD OPERATING PROCEDURE - Administration</p> <p style="text-align: center;">#1-4.3 (Revised)</p> <p>ISSUE DATE: October 1, 2021 EFFECTIVE: October 1, 2021</p>	<p>RESCINDS: #1-4.3 General Fixed Assets (2009), (2020)</p>
<p>SUBJECT:</p> <p style="text-align: center;">GENERAL FIXED ASSETS POLICY</p>	<p>AUTHORIZED BY:</p> <p>Williamson County ESD #3 Board of Commissioners</p>
<p>REFERENCE / AUTHORITY:</p> <p>State of Texas Laws State of Texas Statutes Government Auditing Standards</p>	<p>APPLIES TO:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Full Time Uniformed Staff <input checked="" type="checkbox"/> Part Time Uniformed Staff <input checked="" type="checkbox"/> Civilian Staff <input checked="" type="checkbox"/> ESD Commissioners
<p>TFCA BEST PRACTICES: Chapter(s) : 1 Item(s) : 1.10</p> <div style="text-align: center;">  </div>	<p>CPSE / CFAI ACCREDITATION:</p> <div style="text-align: right;">  </div>

PURPOSE

Establish a fiduciary policy for Hutto Fire Rescue/Williamson County Emergency Services District #3 (Hutto Fire Rescue) for the accountability of general fixed assets.

BACKGROUND

General fixed assets account groups are used to track fixed assets in governmental fund type operations for control purposes. A fixed asset inventory system gathers information allowing preparation of financial statements in accordance with generally accepted accounting principles. The system provides for adequate stewardship over an organizations resources through control and accountability of the fixed assets.

POLICY

DEFINITIONS

Fixed Asset: a long-lived tangible asset obtained or controlled as a result of past transactions, events or circumstances. A fixed asset can be a building, equipment, or land.

Inventoried Assets: goods or objects that are valued between \$500 and \$9,999, which has an estimated useful life greater than 1-year and may be classified for inclusion in financial reports.

Capitalized Assets: goods or objects whose value is greater than or equal to \$10,000, which has an estimated useful life greater than 1-year and are classified for inclusion in financial reports.

Land: all land owned by Hutto Fire Rescue/Williamson County Emergency Services District #3, either purchased or donated, and used, rented, or held for investment.

Buildings: all buildings owned by Hutto Fire Rescue/Williamson County Emergency Services District #3, either purchased or donated, and any building improvements costing \$25,000 or more. This includes buildings used, rented, or held for investment.

Land Improvements: all improvements to land owned by WCESD #3 costing more than \$25,000.

Equipment: any movable property (i.e., machinery, vehicles, computers and furniture) that is not a replacement part. Component items that form one working equipment system are combined for capitalization purposes. The "system" definition applies to computer configurations, AV equipment and manufacturing equipment. Additions to equipment that become either component parts or permanently connected to existing equipment items are also defined as equipment and should be capitalized, regardless of cost.

GENERAL

- A. All fixed assets are valued at historical costs or estimated historical costs if actual costs are not available.
- B. Fixed assets are broken into two categories: inventoried assets and capitalized assets.

ASSET IDENTIFICATION

- A. All inventoriable property will be assigned a unique identification number. The assigned number will follow the asset throughout its life in Hutto Fire Rescue's general fixed asset system.
- B. If the asset is purchased with grant funding, the identification number will reference the grant with an identifying project code. In the case of surplusing, the grant contract needs to be reviewed for compliance issues. In some cases, the grant source would need to approve selling or surplusing such assets.

ANNUAL INVENTORY

- A. The Administrator will furnish an updated *Fixed Asset Report* for the taking of a physical inventory during the 2nd quarter of the fiscal year.
- B. The inventory is to be taken by a person who has neither custodial responsibility for the particular assets, nor has responsibility for receiving, checking in, tagging, or recording the assets.
- C. The individual making the physical inventory should identify items that are missing or were sold, traded-in, surplus, or discarded.

DEPRECIATION

- A. All capitalized assets are depreciated on a straight-line basis using estimated useful lives as follows:
 - 2. Buildings: 25 - 75 years
 - 3. Improvements other than buildings: 20 - 75 years
 - 4. Equipment: 5 - 20 years
 - 5. Apparatus: 5 - 20 years
- B. As required by auditing recommendations or Board of Commissioner actions, this estimated useful life schedule can be changed or amended.