

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Sitting/Acting as (if applicable)

Policy Session Worksheet

Presentation Date: 06/08/2022 **Approx. Start Time:** 10:30am **Approx. Length:** 30 min

Presentation Title: Capital Asset Policy

Department: Finance

Presenters: Ed Johnson, Deputy Finance Director

Other Invitees: Elizabeth Comfort, Finance Director

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

The Department of Finance is requesting the approval of a new Capital Asset Policy.

EXECUTIVE SUMMARY:

The County's capital assets range from land, buildings and improvement, equipment, vehicles to software. Currently, there is no policy that provides guidance on the management of the County's capital assets. Until the development of the new Capital Asset Policy, the County's sole guidance on capital asset management was a statement within the County's Annual Comprehensive Financial Report (ACFR). This policy provides accounting guidance for the County's capital assets, including capitalization and depreciation. This policy reflects capital asset best practices as recommended by the Government Finance Officers Association (GFOA) and with Governmental Accounting Standards Board (GASB) pronouncements. The Department of Finance is recommending the approval of the policy to establish guidance to manage the County's capital assets.

This policy will require the Board of County Commissioners' (BCC) approval per ORS 203.035, which authorizes the BCC to promulgate policies for the management and operation of Clackamas County.

This policy has been reviewed and approved by the Policy Committee and the County's Executive Management Team.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? \$ N/A

What is the funding source? N/A

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?

The Capital Asset Policy will provide guidance on the management of the County's capital assets.

- How does this item align with the County's Performance Clackamas goals?

The policy builds public trust as we exemplify good government and accountability by managing the County's capital assets.

LEGAL/POLICY REQUIREMENTS:

The Capital Asset Policy requires Board approval.

PUBLIC/GOVERNMENTAL PARTICIPATION:

N/A

OPTIONS:

1. Approve the new policy.
2. Direct staff to make modifications to the new policy.
3. Reject the new policy.

RECOMMENDATION:

Staff respectfully recommend Option 1: Approve the new policy.

ATTACHMENTS:

Draft Capital Asset Policy

SUBMITTED BY:

Division Director/Head Approval EC

Department Director/Head Approval EC

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Ed Johnson @ 503-407-8034



<input checked="" type="checkbox"/> Administrative Policy <input type="checkbox"/> Operational Policy
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Clackamas County Policy

Name of Policy	Capital Asset Policy	Policy #	FIN 1.205
Policy Owner Name	Elizabeth Comfort	Effective Date	7-1-22
Policy Owner Position	Finance Director	Approved Date	
Approved By		Last Review Date	
Signature		Next Review Date	

I. PURPOSE

This policy provides accounting guidance for the County’s capital assets, including capitalization and depreciation. This policy reflects capital asset best practices as recommended by the Government Finance Officers Association (GFOA).

The policy is in compliance with GASB Statement No. 4, Elements of Financial Statements; GASB Statement No. 34, Basic Financial Statements; and GASB Statement No. 51, Accounting & Reporting for Intangible Assets.

This policy applies to the County and its related service districts and agencies.

II. AUTHORITY

ORS 203.035 authorizes the Board of County Commissioners to promulgate policies for the management and operation of Clackamas County Government.

III. GENERAL POLICY

This policy establishes minimum standards for recording assets in the County’s financial management system and reporting in the Annual Comprehensive Financial Report (Annual Report). Exceptions to compliance with this policy by any department or agency must be prior approved by the Finance Director.

IV. POLICY GUIDELINES

The Finance Department is responsible for administering the County’s accounting functions including capital asset recording and reporting in compliance with this policy. County departments, service districts or related agencies are responsible for coordinating with the Finance Department for its acquisitions of capital assets to ensure proper accounting treatment and may not adopt or employ changes to the Capital Asset policy guidelines without prior written approval of the Finance Director or designee.

Annually, the Finance Department shall review the County’s Capital Asset Policy and, if needed recommend updates for approval. In addition, the policy may be updated for any immediate needs in accordance with new Governmental Accounting Standards Board (GASB) pronouncements or Generally Accepted Accounting Principles (GAAP).

A. Identification and Authorization

The Finance Department reviews, at least annually, the County’s detailed transactions recorded in capital outlay expenditure accounts. These transactions are authorized at the time of purchase or incurring the cost, via project authorization, purchase order, contract, or direct payment or Board approval. Transactions occurring within the financial management system require the proper approvals in order to be processed.

B. Records Retention

Capital assets, depreciation, and amortization records shall be maintained in accordance with GAAP under the direction of the Finance Department.

- a. Asset acquisition records shall be retained, even after an item becomes obsolete or is no longer in service, in accordance with retention schedules set in Oregon Revised Statutes (ORS).
- b. Original titles for real property shall be provided to the County's Recording Department for permanent retention.

V. ACCESS TO POLICY

This Policy is available in PowerDMS as well as the Finance Department's Intranet.