



## **Solano Local Agency Formation Commission**

675 Texas St. Ste. 6700 • Fairfield, California 94533  
 (707) 439-3897 • FAX: (707) 438-1788

Date: Commission Meeting of June 12, 2017  
 To: Commissioners and Alternates  
 From: Roseanne Chamberlain, Executive Officer  
 Subject: Policy for Capital Assets

### RECOMMENDATION

Review and approve a policy defining capital assets that mirrors the policies of Solano County, including fixed assets and controlled assets.

### BACKGROUND

There is a provision in the MOU between Solano LAFCO and the Auditor for the Auditor to maintain the inventory of capital assets for LAFCO. LAFCO currently has no capital assets or fixed assets as defined by Solano County's internal criteria, i.e. valued at more than \$5,000. Office furnishings and owned equipment are below this threshold. The County Auditor's staff suggests LAFCO adopt a policy for defining capital assets. This will ensure appropriate handling of future purchases.

Solano County also identifies a category for "controlled" assets. These computer and non-computer items are between \$1,500 and \$5,000 and are "tagged" and tracked by the county. LAFCO currently has one computer that the county has "tagged" as a controlled asset as a courtesy to LAFCO.

The staff draft policy is attached. Please note that recently adopted policies will be numbered and added to other adopted policies.

#### Commissioners

Nancy Shopay • Chair Harry Price, Vice-Chair Pete Sanchez • Jim Sperring • John Vasquez

#### Alternate Commissioners

Len Augustine • Skip Thomson

#### Staff

Roseanne Chamberlain, Interim Executive Officer • Michelle McIntyre, Analyst • P. Scott Browne, Legal Counsel

**LAFCO CAPITAL ASSETS**

- Capital or Fixed assets include furniture, equipment and fixtures with a useful life of ten years and a value of \$5,000 or more. Capital assets owned by LAFCO are stated at historical cost or estimated historical cost, if actual cost is not available.
- LAFCO will maintain an inventory of capital assets, and may contract with Solano County to do so. The inventory will be updated annually at the close of the fiscal year as needed. Capital assets are depreciated using the straight-line method over the estimated useful life.
- Computer related items valued at \$1,500 but less than \$5,000 are controlled assets and are included on the fixed asset inventory because of their sensitive, portable and theft-prone nature. For control purposes and accountability, controlled assets will be included on the inventory list.
- Non-computer related items valued at \$1,500 but less than \$5,000 are included on the fixed asset inventory. These controlled assets will be included on the inventory list.
- Assets become obsolete when the asset is no longer operable, has been replaced, or is no longer available for use. Obsolete assets are removed from the capital assets list.
- The Executive Officer shall review and approve a list of any capital assets to be declared surplus property. The Executive Officer may dispose of surplus property by making the property available for donation to any non-profit or other agency listed or authorized by either the State of California or Solano County to receive surplus property donations.