



BOARD OF COUNTY COMMISSIONERS

POLICY

NUMBER: BCC-23
CANCELS: 12/10/2019
APPROVED: May 26,
2022
ORIGINATOR: Central Services
REVIEW: August 30,

TITLE: ~~Tangible Personal Property~~ Safeguard of County-Owned Property

I. OBJECTIVE

~~To delegate the custody of tangible personal property owned by the Board, establish capitalization thresholds and the Board's intent for responsibility of tangible personal property within the custody, control, and use of Constitutional/Charter Officers.~~ The Objective of this Policy is to safeguard and maintain effective controls to manage Brevard County's real and tangible personal property, and to maintain proper records relating to the use and disposition of County assets.

II. DEFINITIONS

- A. Attractive Item – Items of ~~T~~tangible personal property used in operations that have a cost less than an established capitalization threshold, but have a heightened risk of theft and/or may containhold public records which require retention for an applicable records retention period. Attractive Items shall include, but are not limited to: handheld radios residing on the County's MHz Radio System, and other items identified on a case by case basis by Central Services and the custodial department and office of the property as meeting this definition.
- B. Board – The Brevard County, Florida, Board of County Commissioners.
- C. Building – A structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable.
- D. Building Improvements – Capital improvements that materially extend the useful life of a building or increase the value of a building, or both beyond one-year.
- E. Capital Asset – Real or tangible personal property that has a cost equal to or greater than the established threshold adopted by the Board and has an estimated useful life extending beyond one-year.
- F. Capitalization Threshold – The dollar threshold established for each capital asset category for financial reporting and safeguarding of the County's assets.
- G. Computer Device – A computer device is a server, desktop computer, laptop computer, tablet or peripheral able to connect to a computing device such as a storage device that is capable for storing, porting or extracting data files and objects.

H. Construction Work in Progress – Reflects the economic construction activity status of buildings and other structures, infrastructure, additions, alterations, reconstruction, and installation, which are substantially incomplete.

A.I.

J. County – Brevard County, Florida

K. Custodian - The person to whom the custody of the real and tangible personal property has been delegated by the Board.

B.L. Custodian Delegate – A person under the supervision of the Custodian, to which person the Custodian may delegate the use and immediate control of the real and tangible personal property and from who the Custodian should require Custody Receipts.

M. General Ledger Control Accounts for Fixed Assets – Accounts maintained for financial reporting purposes of the County’s real and tangible personal property.

N. Elected County Officers – Elected County Officer is defined in Article 4, Section 4.1, Brevard County Home Rule Charter and includes the offices of Sheriff, Property Appraiser, Tax Collector, Clerk of Circuit Court, and Supervisor of Elections.

O. Improvements Other than Building – An asset that is permanently attached to the land, may or may not have a roof or be enclosed by walls. Asset is not intended to be transportable or moveable.

P. Infrastructure and Infrastructure Improvements – Long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. The most common asset under this category are the County’s roads.

Intangible Asset – An asset that does not have a physical existence/substance, such as intellectual property, certain land use rights and certain computer software code. ~~Intangible assets include computer programming or coding language that provide the necessary instruction for the computer hardware to perform a desired task or series of tasks. Software intangible assets include commercially available off-the-shelf software, software specifically developed by an outside contractor, and software developed internally by agency personnel.~~ Annual negotiated competitive agreements/discounts establish a firm source period, and price on high volume materials and services, significantly reducing the number of repetitive, expensive daily purchase transactions through the utilization of open purchase orders or purchase card.

- The evaluation of renewal options utilizes factors such as market data, level of competition available, inflation and vendor performance. The using agencies and Purchasing Services will document recommendations of exercising renewal options in the official bid or proposal files.

- Formal contract renewals will be in accordance with AO-29, Contract Administration.

- Minimizing administrative costs by reducing and consolidating Board actions for competitive annual procurement of commodities and services ensures efficient use of available funds and the timely provision of commodities and services. Establishment of costs associated with these commodities and services is allocated to individual agencies’ funding sources. Funds will be encumbered through user initiated purchase orders.

C. ~~Constitutional/Charter Officers – All County officers described in article VIII, Section (1)(d) of the constitution of the State of Florida or in the Brevard County Charter.~~

- ~~D. Tangible Personal Property—furniture, equipment, fixtures, and other tangible personal property of a non-consumable nature and a normal expected life of one year or more.~~
- ~~E. Custodian—the person to whom the custody of property has been delegated by the Board.~~
- ~~F. Custodian Delegation—a person under the supervision of the custodian, to which person the custodian may delegate the use and immediate control of property and from whom the custodian may require custody receipts.~~
- ~~G. Capital Asset—Real or personal property that has a cost equal to or greater than established threshold established by the Board and has an estimated useful life extending beyond one year.~~
- H.Q. Land – Surface or crust of the earth, which can be used to support structures, and may be used to grow grass, shrubs, and trees.
- I.R. Land Improvements – Consist of betterments, site preparation not already captured under original land acquisition, and site improvements that ready land for its intended use.
- ~~J. Buildings—A structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable.~~
- ~~K. Improvement Other Than Building—Capital asset that is permanently attached to the land, may or may not have a roof or be enclosed by walls. Asset is not intended to be transportable or moveable.~~
- ~~L. Building Improvements—Capital events that materially extend the useful life of a building or increase the value of a building, or both beyond one year. Improvements will be tracked and capitalized if improvements are greater than or equal to \$35,000. Examples of building improvements include roofing projects, major energy conservation projects, or remodeling and replacing major building components if such improvements extend the useful life and/or increase the value of the building. In kind replacements of existing equipment or fixtures that maintain the existing building are not considered capital events.~~
- ~~M. Infrastructure and Infrastructure Improvements—Long lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets.~~
- ~~N. Construction Work in Progress—Construction work in progress reflects the economic construction activity status of buildings and other structures, infrastructure, additions, alterations, reconstruction, and installation, which are substantially incomplete.~~
- S. Law Enforcement Firearms – Law Enforcement Firearms are an assembly of a barrel and action from which a projectile(s) discharges by means of a rapidly burning propellant. Also called a weapon, gun, handgun, long gun (rifle), pistol, and revolver.
- O.T. Other Fixed Capital Assets – Other fixed tangible personal property assets that are long-term assets that are not otherwise classified in another capital asset category. Examples include works of art and historical treasures.
- ~~P. Intangible Assets—Intangible assets are assets that do not have a physical existence. (Note: An intangible asset may be contained within an asset having a physical presence or associated with other assets having a physical presence. Examples are software contained on a compact disc or right-of-way easements.) Intangible assets include computer programming or coding language that provide the necessary instructions for the computer hardware to perform a desired task or series of tasks. Software intangible assets include commercially available off the shelf software,~~

~~software specifically developed by an outside contractor, and software developed internally by agency personnel. Intangible assets also include land-use rights such as easements, right-of-ways, and water rights, that provide specific benefits related to the real property upon which the right applies. (GASB 51)~~

~~Q. General Ledger Control Accounts — Accounts maintained for financial reporting purposes.~~

~~U. Real Property — Real property is land and improvements to land, affixed to, or built upon land.~~

~~V. SAP — The County's Financial System~~

~~W. Tangible Personal Property — Property owned by the County of a non-consumable nature including, but not limited to, furniture, equipment, fixtures, and other tangible personal property of a non-consumable nature and with a normal expected life of one-year or more. Tangible personal property includes surplus fill dirt with commercial value.~~

~~R. Capitalization Threshold — Dollar threshold established for each capital asset category for financial reporting and safeguarding of small value assets.~~

II. REFERENCES

~~A. Section 125.35, Florida Statutes, "County authorized to sell real and personal property and to lease real property."~~

~~B. Section 125.38, Florida Statutes, "Sale of county property to United States, or state."~~

~~C. Section 125.37, Florida Statutes, "Exchange of County Property."~~

~~D. Section 125.379, Florida Statutes, "Disposition of County Property for affordable housing."~~

~~E. Section 125.39, Florida Statutes, "Nonapplicability to county lands acquired for specific purpose."~~

~~F. Section 73.013, Florida Statutes, "Conveyance of property taken by eminent domain"~~

~~G. Section 125.411, Florida Statutes, "Conveyance of land by county."~~

~~H. Section 197.592, Florida Statutes, "County delinquent tax lands; method and procedure for sale by county; certain lands conveyed to municipalities; extinction of liens"~~

~~I. Section 273.01(3), Florida Statutes, "Private nonprofit agency"~~

~~A-J. Chapter 274, Florida Statutes, — "Tangible Personal Property Owned by Local Governments."~~

~~K. Rules of the Chief Financial Officer, Chapter 69-73, Tangible Personal Property Owned by Local Governments.~~

~~L. Ordinance No. 2005-45: "Brevard County Surplus Real Property and Modular Structures Transactions Ordinance." Brevard County Code Article VIII, "Surplus Real Property and Modular Structures Transactions."~~

~~M. Administrative Order 24: "Accountability of County-Owned Property"~~

~~N. Governmental Accounting Standards Statement Number 34: "Basic Financial Statement — And Management's Discussion And Analysis — For State And Local Governments" Issued June 1999.~~

~~O. Governmental Accounting Standards Statement Number 51: "Accounting and Reporting for Intangible Assets"~~

~~P. Office of the Attorney General Opinion 082-18, March 19, 1982, "Re: Counties — Sale or disposal of dirt severed from property owned by county."~~

~~B-Q. Office of the Attorney General Opinion 081-99, December 29, 1981, "Florida Contraband Forfeiture Act."~~

IV. CAPITALIZATION THRESHOLD

A. The Board establishes the following capitalization thresholds. Purchases or acquisition at or above the below thresholds will be classified as a County capital asset:

- a. Building and Building Improvement, Capitalization Threshold is \geq \$35,000
- b. Computer Device, Capitalization Threshold is \geq \$500.00
- c. Furniture, Equipment, and Fixture, Capitalization Threshold is \geq \$1,000
- d. Infrastructure and Infrastructure Improvements, Capitalization Threshold is \geq \$35,000
- e. Intangible Asset, Capitalization Threshold is \geq \$5,000
- f. Land, is Capitalized Regardless of the Value
- g. Land Improvements, Capitalization Threshold is \geq \$5,000
- h. Law Enforcement Firearms, is Capitalized Regardless of the Value
- i. Other Fixed Assets, Capitalization Threshold is \geq \$1,000

A.B. The Board establishes purchases or acquisitions of an item that has been identified as an Attractive Item will be classified as an operation expense within SAP and each designate custodian property records for Attractive Items.

Capital Asset Category	Financial Statement Capitalization Threshold
Land	Capitalize All
Land Improvements	\geq \$5,000
Buildings and Building Improvements	\geq \$35,000
Improvements Other Than Buildings	\geq \$5,000
Infrastructure and Infrastructure Improvements	\geq \$35,000
Leasehold Improvements	\geq \$35,000
Intangible Assets	\geq \$5,000
Construction Work In Progress	Accumulate all costs over \$1,000.00(R) (Effective 10/1/14)
Computers (A)	\geq \$750.00(A) (Effective 10/1/14)
Furniture and Equipment	\geq \$1,000.00(R) (Effective 10/1/14)
Other Fixed Assets	\geq \$1,000.00(R) (Effective 10/1/14)
General Ledger Control Accounts	Adjustments to Fixed Asset General Ledger Control Accounts by County Finance require Board approval if \$35,000 or over. Adjustments under \$35,000 do not require Board approval if proper backup support is available

V. DIRECTIVES FOR CONSTITUTIONAL OFFICERS' TANGIBLE PERSONAL PROPERTY

A. The Board of County Commissioners hereby specifically designates each Constitutional Officer within the County as custodian of tangible personal property within the officer's custody, control and use.

B. The Constitutional Officers may designate custodians for control of tangible personal property within the officer's custody, control and use.

- ~~C. The Board may provide administrative support and control for tangible personal property of other constitutional officers when mutually agreed upon and in compliance with this policy and Administrative Order AO-24 Accountability of County Owned Property. Each officer shall follow the directives set forth in Ch.274, Florida statutes, and regulations adopted thereunder, as amended from time to time.~~
- A. The Board specifically designates:
- a. Each Elected County Officer within the County as the custodian of tangible personal property within the office custody, control and use. Each custodian is authorized to delegate the duties of the custodian to designated individual(s)-custodian delegates.
 - b. Each County department and office supervised by either the County Manager or the County Attorney as the custodian of the County's real and tangible personal property within their respective custody, control and use. Each custodian is authorized to delegate the duties of the custodian to designated custodian delegates individual(s).
- B. The County will record the County's assets in accordance with Rules of the Chief Financial Officer, Chapter 69I-73, Tangible Personal Property, includes, but not limited to:
- a. The County shall maintain records of the property in their custody in a separate property record; and
 - b. The cost, value at the date of purchase or acquisition; and
 - c. Identification number; and
 - d. Description of the asset and its physical location; and
 - e. Depreciation shall be recorded; and
 - f. Physical inventory will be completed on all capitalized property with an established threshold or identified as an Attractive Item
 - g. The disposal of the County's asset must be recorded in the property record.
- C. Acquisition, supervision, accountability, control, transfer, and disposal of the County's tangible personal property assets shall follow Chapter 274, Florida Statutes, include, but not limited to:
- a. Each custodian is responsible for the safekeeping and proper use of the County's property entrusted in their care.
 - b. The County, through its Board of County Commissioners, has the discretion to classify property as surplus when that property that is obsolete or when the continued use is uneconomical or inefficient, or when the services have no useful function.
 - c. Within the reasonable exercise of discretion and having consideration for the best interest of the County as well as the value and condition of surplus property, the Board may offer such surplus property to
 - i. Other governmental unit (city, special taxing district) by sale or donation; or
 - ii. Nonprofit private agency as defined in Section 273.01(3), Florida Statutes, holding active status with the State of Florida Division of Corporations, and whose activities demonstrate a benefit to the health, education by sale or donation; or
 - iii. May sell such surplus property for commercial value to the highest bidder.
 - iv. The Board may designate whether the cost of transferring the property shall be paid by the County or the receiving entity.

- d. Property which the custodian determines to be surplus, and which is either over five (5) years old, or with a depreciated value of less than \$5,000 may be approved for sale or disposal by the County Manager or designee.
- e. The County Manager or designee may approve the donation of property that is determined to be surplus, that is obsolete or the continued use of which is uneconomical or inefficient, or which services no useful function, may be transferred to a nonprofit private agency as defined by Section 273.01(3), Florida Statutes.
- f. Unaccounted for property which is either over five (5) years old or has a depreciated value of less than \$5,000 may be approved for removal from inventory by the County Manager.
- g. Cancelled Construction in Progress, with a value in SAP of \$35,000 or more, require Board approval to be removed from the General Ledger Fixed Assets Account.
- D. At least annually, Asset Management will reconcile the County's asset records within SAP maintained by County Finance. If any record may not be reconciled, with SAP, Asset Management will research the record that was unable to be reconciled and work with County Finance and the department or office to determine appropriate action.
- E. Donation of Real Property
 - a. It is the Policy of the Board not to donate real property owned by the County, with the exceptions below:
 - i. The requesting agency is providing a service to local residents under a contract with the County; or
 - ii. The agency is providing a service to local residents which the County would otherwise have to provide; or
 - iii. It is determined that an agency or organization is the sole provider of a community service which the Board deems critical/necessary to the public safety, and/or welfare; or
 - iv. It is cost effective to the County to transfer the maintenance costs of a facility to any agency who is meeting a public purpose.
 - b. Any donation should contain a reverter or value recovery clause -should the agency discontinue the service which justified the donation, unless the Board specifies otherwise.
- F. Disposal of Surplus Property
 - a. In accordance with Section 125.35, Florida Statutes, tUpon the Board's determination that it is in the best interest of the County to do so, the Board shall sell, convey, or lease real property in accordance with applicable Florida Statute -when it becomes surplus and unneeded for current or future County use.
 - b. Prior to disposal, staff will evaluate the applicability of section 125.39, section 73.013, and 197.592(3) Florida Statutes to the particular real property.
 - c. The sale or lease of County owned real property or modular structures shall be conducted in accordance with Ordinance 2005-45, "Brevard County Surplus Real

VI. DIRECTIVES FOR THE BOARD'S TANGIBLE PERSONAL PROPERTY

- A. ~~The Board hereby specifically designates each Board department/office as custodian of tangible personal property within the respective department/office's custody, control and use. This tangible personal property shall herein after be referred to as the "Board's tangible personal property."~~
- B. ~~Each Board custodian is authorized to designate custodian delegates.~~
- C. ~~Acquisition, supervision, accountability, control, transfer, and disposal of the Board's tangible personal property shall be in compliance with Chapter 274, Florida Statutes, and records shall contain information as specified in the Rules of the Chief Financial Officer. The Board directs compliance with the following requirements for disposal of tangible personal property:~~
- ~~1. Property that the custodian determines is obsolete or the continued use which is uneconomical or inefficient, or which serves no useful function may be classified by the custodian as surplus property.~~
 - ~~2. Within the reasonable exercise of discretion and having consideration for the best interests of the County as well as the value and condition of surplus property, the Board may offer such surplus property to (1) other governmental units (cities, special taxing districts); (2) not for profit agencies as defined by Chapter 273.01(3), Florida Statutes, holding active status with the State of Florida Division of Corporations, and whose activities demonstrate a benefit to the health, education, and/or social needs of the general population of the County; or (3) may sell such surplus property for commercial value to the highest bidder. The Board may donate, destroy, or abandon surplus property with no commercial value. The disposal of the Board's tangible personal property shall be recorded in records required by the Chief Financial Officer under Chapter 274.02, Florida Statutes.~~
 - ~~3. Property which the custodian determines to be surplus, and which is either over five (5) years old, or with a depreciated value of less than \$5,000.00 may be approved for sale or disposal by the County Manager or his designee.~~
 - ~~4. The County Manager or designee may also approve the donation of property that is determined to be surplus, has no commercial value, or scheduled to be junked to not for profit agencies, as defined by Chapter 273.01 (3), Florida Statutes, holding active status with the State of Florida Division of Corporations, and whose activities demonstrate a benefit to the health, education, and/or social needs of the general population of the County.~~
 - ~~5. Unaccounted for property which is either over five (5) years old or has a depreciated value of less than \$5,000.00 may be approved for removal from inventory by the County Manager.~~

~~D. Board custodians and custodian delegates shall comply with Administrative Order AO-24
Accountability of County Owned Property concerning Tangible Personal Control and Accountability.~~

VII. RESERVATION OF AUTHORITY

The authority to issue and/or revise this ~~P~~policy is reserved to the Board of County Commissioners.

<u>Rachel Sadoff, Clerk</u>	<u>Kristine Zonka, Chair</u>
	<u>Board of County Commissioners</u>
	<u>Brevard County, Florida</u>

	<u>As approved by the Board on</u>