

PROPERTY MANAGEMENT

“Equipment” means tangible personal property having a useful life of more than one year and an acquisition cost of \$1,000 or more per unit.

Equipment purchased for a specific project, supported by federal funds, is to be used in the project for which it was acquired until the project is discontinued. If the equipment is no longer needed for the original project, it may be transferred to any other currently sponsored or previously sponsored project. If no such projects exist, disposal must be handled as described in the following section entitled “Disposition of Equipment”.

Records for equipment must be maintained. This information is reported to the State and Federal Grants Office on the Annual Report form. A physical inventory of the property must be taken and the results reconciled with the property records annually. The inventory form shall contain:

- A description of the equipment, including a serial or other identification number.
- Source of the equipment such as name of vendor or purchase point.
- The project number under which the property was originally purchased.
- The acquisition date and unit cost, giving the amount in Federal and local funds spent if the unit was not purchased entirely with Federal funds.
- The location, use and condition of equipment and the date this information was reported.
- All pertinent information on the ultimate transfer, replacement, or disposition of the equipment including the date of disposal and sale price of the property.
- Any loss, damage or theft of equipment should be investigated and fully documented.
- A control system must be developed to ensure adequate safeguards to prevent loss, damage or theft of the property.

As part of project monitoring, periodic reviews of property management procedures and records are made.

DEPRECIATION

A provision for depreciation is recorded in the financial accounting system to reflect the net asset value of property and equipment during their useful lives.

Property and equipment having a useful life of greater than one year with an initial cost of \$1000 or more are capitalized and depreciated. The straight line method of depreciation will be used to depreciate capital assets over the estimated useful lives.

Straight line depreciation is calculated by dividing the total asset cost by estimated useful life in years. Total asset cost includes purchase price plus any other charges incurred to place the asset in its intended location and condition for use. The estimated useful life of a depreciable asset is the period over which services are expected to be rendered by the asset.

In the year that Government Accounting Standards Board (GASB) Statement No. 34 is first implemented (FY 2005), entities that previously had not depreciated their capital assets should determine if significant capital assets are in use that would be fully depreciated. In this implementation year only, if assets would be fully depreciated but still in use, the estimated useful lives assigned to these assets should be reconsidered. Assets still in use in the year of implementation should not be reported as fully depreciated, if significant. In subsequent years, changes in estimated useful lives should be accounted for as changes in accounting estimates and reported prospectively.

Straight line depreciation is used beginning in the month of acquisition and ending in the month prior to disposition.

The useful life of an asset is determined from the following schedule:

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|--------------------------|---------|
| • Computer Equipment | 3 years |
| • Other Office Equipment | 5 years |
| • Office Furnishings | 7 years |
| • Telephone Equipment | 7 years |

DISPOSAL OF PPLCS EQUIPMENT

I. Definition of Equipment

Equipment purchased with PPLCS State Aid funds and placed in county libraries is listed on the PPLCS inventory and retained as PPLCS property for one year. At the end of one year it becomes the property and responsibility of the county library in which it resides.

Equipment purchased with federal (e.g. LSTA) funds is carried in PPLCS inventory records and remains PPLCS property, regardless of where it is placed.

Equipment includes items which have a cost of \$1,000 or more.

II. Disposal of usable equipment

If an item of equipment is no longer needed by the library in which it is located, but is still usable, it shall be made available to other county libraries. The PPLCS office must be notified that the equipment is no longer needed. The office shall then issue a memo to all Directors advising them of the availability of the item. Disposal will be on a “first come, first served” basis.

III. Disposal of unusable equipment

If an item becomes obsolete, damaged beyond repair, or is otherwise unusable, it may be disposed of in the following manner:

If the item is listed in the PPLCS inventory records, Board approval and permission from the grants office of the State Library and Archives of Florida will be required to dispose of the item. Upon disposal the item will be removed from inventory records.

Items purchased with federal funds shall be disposed of in accordance with the attached LSTA “Disposition of Equipment” and “Property Management” guidelines. If there is no conflict the item may be donated to a public institution or other non-profit agency which may have use for it.

IV. Items with a cost of less than \$1,000.

Usable items with a cost of less than \$1,000 shall be offered to other county libraries in the manner outlined in Section II.

Means of disposal of unusable items are at the discretion of the county government in whose county they are located.

DISPOSITION OF FEDERAL EQUIPMENT

Disposition of equipment purchased in whole or in part with Federal funds should be fully documented and follow these guidelines:

- Equipment with a current per-unit fair market value of less than \$5,000 may, with approval, be returned, sold or otherwise disposed of with out further obligation to the Federal government.
- Equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold. If sold, the State Library and Archives of Florida shall have a right to an amount calculated by multiplying the current market value or (proceeds from the sale) by the State Library and Archives of Florida share of the equipment.
- If a project ends, or if equipment is no longer needed for a project, the equipment shall be sold or transferred to another federally funded project at the discretion and approval of the State Library and Archives of Florida Grants Office. If the equipment is sold and has an acquisition cost of greater than \$1,000 per unit, the Federal government retains the right to an amount calculated by multiplying the current market value by the Federal percentage of the acquisition cost. Ten percent or \$100 (whichever is greater) may be kept by the recipient as a handling fee.
- Property records shall be maintained for at least five years after the date of the equipment's final disposition, replacement or transfer. When disposal or transfer of Federal property is anticipated, the State Library and Archives of Florida Grants Office shall be contacted for assistance. A control system must be developed to ensure adequate safeguards to prevent loss, damage or theft of the property.
- A physical inventory of the property must be taken and the results reconciled with the property records annually. Adequate maintenance procedures must be developed to keep the property in good condition.