



County of Riverside
OFFICE OF THE AUDITOR-CONTROLLER
 STANDARD PRACTICE MANUAL

SECTION: 5		SUBJECT: CAPITAL ASSET DONATIONS RECEIVED
POLICY NUMBER: 509		CATEGORY: CAPITAL ASSET POLICIES
REVISED DATE: 07/01/17	APPROVED BY: <i>Paul Angulo</i>	

PURPOSE: To establish standard guidelines for County departments, agencies, and special districts for the acceptance and proper recording of donated capital assets.

SCOPE: Applies to County departments, agencies, special districts and authorities that are governed by Riverside County Board of Supervisors.

POLICY: Donated capital assets are required to be recorded in the County’s PeopleSoft financial system in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards and California Government Code 25355.

PROCEDURES: This policy includes information on the criteria to determine the proper process and documentation needed to record capital assets received as donations.

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Donated Capital Assets Information:

Donated capital assets can in a tangible form such as computers, automobiles, real property, roads, etc., or they could be donated in an intangible form such as software. If the capital asset is donated by another governmental entity (State/Federal) be sure to follow applicable restrictions/regulations pertaining to the donated capital asset as well.

Donated Capital Assets Approval:

Section 25355 of the California Government Code allows County Boards of Supervisors the option of delegating to any County officer or employee the authority to accept or reject any gift, bequest or devise made to or in favor of the County. The Riverside County Board of Supervisors delegated to County Department Heads the authority to accept or reject any gift, bequest or devise made to, or in favor of the County, the value of which does not exceed \$10,000, and instructed Department Heads to acknowledge such gifts. Any donation that exceeds \$10,000 must be placed on the Board agenda for the Board’s consideration and acceptance. The Board of Supervisors will need to accept or reject any capital assets donations over \$10,000 via Form 11 before they can be recorded in the PeopleSoft Asset Management module (AM module). Ensure detailed information is provided to the Board of Supervisors including a breakdown of the capital assets and their fair market value.

Donated Capital Assets Value:

Capital asset donations should be recorded at the fair market value (FMV) on the date of donation and should be depreciated/amortized using the suggested useful lives in SPM 502. Effective July 1, 2015, GASB Statement No. 72 “Fair Value Measurement and Application requires measurement at acquisition value (an entry price) for donated capital assets, donated works of art, historical treasures, and similar assets and capital assets received in a service concession arrangement. Capital assets donated to the county should be entered in the PeopleSoft Asset Management module (AM module) as long as it meets the capitalization threshold (see SPM 501).

The acquisition value is the price that would be paid to acquire an asset and place it into equivalent operational service in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date. On certain occasions, it may be more complex to determine the asset’s fair market value for a department; as such the costs incurred by the donor could be substituted for certain assets and only if the donor incurred those costs within a reasonable period of time to the date the asset is accepted as a donation.

Donated Capital Assets Records:

Retain receipts, letters, copy of title reports, official governmental documents, or any other type of documents that will support the evidence of the donated capital assets. Also, obtain and maintain evidence on how the fair market value of the donated capital asset was determined as this will be used as supporting documentation when the capital asset is recorded in the AM module and when all the documentation is submitted to the ACO.

Donated Capital Assets Financial Recording:

Governmental Funds – When donated capital assets are received, there are no financial transaction recorded in the fund financial statements. However, the capital assets are recorded in the Government-wide financial statements. It is **important** for the department to record the donated capital assets as soon as received in the AM module.

Proprietary Funds – When the donated capital assets are received they will immediately need to be recorded as it will trigger a financial transaction to be recorded. It is **important** for the department to record the donated capital assets as soon as received in the AM module.

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DEPARTMENT ROLES:

- 1) Record donated capital asset in the AM module immediately once all supporting documentation is available and has been received by the department.
- 2) Complete AM-5 Capital Assets Form - Acquisition, Betterment & Capital Leases Form and submit it to the Auditor-Controller with all supporting documentation, within 15 days after it has been entered in the AM module, **except** at year end it should be submitted within 24 hours.
➤ Attach all supporting documentation related to donated capital asset.
- 3) Submit completed AM-5 and supporting documentation to the ACO.
- 4) During the annual asset certification, all donated asset should be certified.

AUDITOR-CONTROLLER'S ROLES:

- 1) Review and verify AM-5 form and transactions recorded in system.
- 2) Issue capital asset tags (if necessary).
- 3) Process transactions in PeopleSoft Financial System.

RECORDS MANAGEMENT ROLES:

Auditor-Controller

The Auditor-Controller is the official Department of Record for all AM Forms and its supporting documentation that are submitted to us. The documentation is filed in accordance with the County's General Records Retention policy which states to keep the current year plus the 7 past years.

SECURITY ROLES:

In order to perform the functions discussed above the following roles must be requested:

Department:

Capital Asset Processor – this role will allow you to:

- Add capital/noncapital asset information
- Update some capital asset information

Auditor Controller:

Asset Reviewer Auditor-Controller Only – this role will allow you to:

- Adjust, re-categorize, transfer, and dispose capital assets/noncapital asset information
- Review and process transactions

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CAPITAL ASSETS FORM

Acquisition, Betterment & Capital Leases

OFFICE OF THE AUDITOR-CONTROLLER
 Complete and return to the Auditor-Controller's Office, Mail Stop #1050.

**SPM FORM
AM - 5**

"*" Indicates optional field **ASSET ID:** _____

DEPARTMENT			BUSINESS UNIT		
FUND	DEPT ID	PROGRAM *	CLASS *	BGT PER	PROJ/GRANT *
CATEGORY	ACCOUNT	COST			
BOOK	FINANCING CODE	LOCATION			
ACQUISITION DATE			IN SERVICE DATE		
VENDOR CODE:			VENDOR NAME		
MANUFACTURER	SERIAL NUMBER	MODEL			
ASSET DESCRIPTION:					
DEPRECIATION METHOD		USEFUL LIFE (in months)	SALVAGE AMOUNT		
PURCHASE AUTHORIZATION			VOUCHER		
For Betterments Only:					
BETTERMENT DESCRIPTION					
TOTAL BETTERMNT VALUE					
For Capital Leases Only:					
LEASE ID#			LIABILITY AMOUNT (PRIN)		
ATTACH THE FOLLOWING AND CHECK THE BOX FOR EACH ATTACHMENT PROVIDED:					
<input type="checkbox"/>	P.O. s,	<input type="checkbox"/>	Property schedules,	<input type="checkbox"/>	Amortization schedules,
<input type="checkbox"/>	CAPITAL LEASE TEST.XLS		<input type="checkbox"/>	Financing agreements,	

Prepared by: _____ Phone: _____

Date: _____ Dept: _____

Distribution: Department and Capital Asset Section of the ACO

Standard Practice Manual – AM-5

January 2006 (This form replaces GEN FORM 34)
 Capital Assets Form (pending approval)

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