

# Capital Asset Statement

Date Policy Approved: November 30, 2017 by DeSoto Parish Library Board of Control

A capital asset is a tangible asset of the DeSoto Parish Library that costs \$2,500.00 or more and has an estimated useful life extending beyond one year. Examples include land, buildings and improvements, and equipment used in the operations of the municipality.

Louisiana Revised Statute 24:515.B.1 requires the DeSoto Parish Library to maintain records of its capital assets. The Library Director and Public Service Administrator are responsible for recording, tagging (for identification purposes), and coordinating the annual inventory of all capital assets. The listing of capital assets is to be updated each year for assets acquired and disposed. Failure to identify and periodically account for municipality assets/property exposes the municipality to possible loss, theft, and misuse of its assets. Any missing assets should be addressed and appropriately resolved. Capital assets are reported in the DeSoto Parish Library's financial statements at cost. However, capital assets received as donations are reported at their estimated fair market value at the time of donation.

Except for land which is not depreciated, capital assets are depreciated over their estimated useful lives using the straight-line method of depreciation. The various asset classes are assigned the following estimated useful lives:

<b>Asset Class</b>	<b>Estimated Useful Life</b>
Land	Not depreciated
Buildings	15-40 years
Building Improvements	15-40 years
Vehicles	7 years
Machinery and Equipment	5 -10 years
Furniture	5-10 years
Office Equipment	5-10 years
Computers	5 years
Library Collection (Books, Audios, DVDs, etc.)	5 years

# Procedures for Capital Assets

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## Capital Asset Additions

1. During the year, the Public Service Administrator must be notified when a capital asset is purchased and received.
2. The Public Service Administrator is to obtain the supporting documentation (e.g., purchase order, invoice, etc.) to record the asset information on the capital asset listing. Information recorded should include the asset description, date of acquisition, location, cost (or fair value if donated), and estimated useful life.
3. The Public Service Administrator is to assign an identification number to the asset and record that number on the listing. The Public Administrator (or designee) is to affix a tag/sticker to the asset that displays the identification number and the name of the library branch.
4. The Public Service Administrator must be notified when a capital asset is relocated to another library location.

## Capital Asset Deletions/Disposals

1. During the year, the branch managers are to notify the director when a capital asset is no longer useful in operations and thus available for disposal.
2. The director is to consult with legal counsel to ensure compliance with state laws that pertain to the disposal (e.g., sell, exchange, etc.) of library property/assets.
3. All disposal related documentation (e.g., board resolutions, appraisals, advertisements, bids received, etc.) is to be maintained by the Public Service Administrator
4. The Public Service Administrator is to identify the asset on the listing and document its disposal (e.g., date, proceeds, etc.).

# Capital Assets Inventory

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The Library Director and Public Service Administrator are responsible for ensuring that a physical inventory of capital assets is conducted at or near the end of each fiscal year.

1. Approximately 15 days before the end of each fiscal year, branch managers are to be provided with a complete listing of the capital assets for which they are held accountable. These inventory lists are to be used to document their physical inventory.
2. Branch Managers (or designees) are to conduct the inventory by touring the library branches and locating each asset listed. Every effort is to be made to locate all assets of the DeSoto Parish Library.
  - For each asset that is observed, place a check-mark on the inventory listing next to the description of the asset
  - Verify that the asset's location is the same location shown on the inventory listing. If not the same location, make a note of the change.
  - For an asset that is missing, place an "x" on the listing next to the description of the asset. Branch Managers are to immediately notify the Director of any missing assets.
3. The Director is to notify the district attorney and Legislative Auditor of any misappropriation of assets.
4. Upon completion of the physical inventory, branch managers are to sign and date their inventory lists and return to the business manager.
5. The Public Service Administrator is to review the inventory lists for completeness and for any notes made by branch managers. The Public Service Administrator updates the capital assets listing for any changes and prints a final listing.
6. Annually, the listing of capital assets is to be reconciled/agreed with the assets account balance(s) recorded in the accounting system (general ledger).
7. The inventory lists and the final capital assets listing are to be made available to the auditor upon request.

# Capital Asset Transfer

Date Policy Approved: February 3, 2011 by DeSoto Parish Library Board of Control

Item Barcode \_\_\_\_\_ Item \_\_\_\_\_

Size \_\_\_\_\_ Quantity \_\_\_\_\_

Source \_\_\_\_\_ Value \_\_\_\_\_

**TRANSFERRED FROM:**

Branch or Department: \_\_\_\_\_ Date \_\_\_\_\_

Specific Location \_\_\_\_\_ Signed: \_\_\_\_\_

**TRANSFERRED TO:**

Branch or Department: \_\_\_\_\_ Date \_\_\_\_\_

Specific Location \_\_\_\_\_ Signed: \_\_\_\_\_

APPROVAL OF DIRECTOR or ASSISTANT DIRECTOR \_\_\_\_\_

*Note: Submit form in triplicate*