



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

August 25, 2008

Ordinance 16225

Proposed No. 2008-0158.2

Sponsors Phillips

1 AN ORDINANCE relating to capitalization threshold,
2 property management, and controllable assets; and
3 amending Ordinance 12045, Section 21, as amended, and
4 K.C.C. 4.56.030.

5

6 **STATEMENT OF FACTS:**

7 1. Capitalization is the recognition of capital outlays as capital assets in
8 the balance sheet or statement of net assets. Capital assets are assets that
9 are used in operations and that have useful lives greater than one year. As
10 capitalization is focused on financial reporting, a capitalization threshold
11 is commonly established in order to exclude numerous low-cost items
12 thereby reducing tracking costs and improving efficiency of the capital
13 assets system.

14 2. For practical considerations, the established capitalization threshold is
15 also adopted in defining what constitute personal property under the King
16 County Code. However, effective property management acknowledges
17 that certain items ("controllable" items) by their nature or circumstance

18 need to be controlled regardless of their cost such as: a. items that pose a
19 danger to public safety (weapons); b. grant assets required to be tracked
20 by the grantor; and c. "attractive" items that are high-risk for loss. While
21 these items may be appropriately included in the personal property
22 inventory, the associated cost need not be capitalized for financial
23 reporting.

24 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

25 SECTION 1. Ordinance 12045, Section 21, as amended, and K.C.C. 4.56.030 are
26 each hereby amended to read as follows:

27 The fleet administration division of the department of transportation shall keep
28 documentation of the county personal property inventory.

29 A. The fleet administration division shall review the department and agency
30 inventory reports and investigate any large or unusual lost, stolen or unlocatable
31 inventory amounts. The division shall compare current year amounts with previous years
32 and to what is currently on hand. "Large" shall mean any dollar amount equal to, or in
33 excess of, the current capitalization rate.

34 B. The personal property inventory shall include all items with a capitalization
35 rate ~~((of \$1,000))~~ equal to or greater than the current capitalization threshold for
36 equipment established in the federal Office of Management and Budget Circular No. A-
37 87, Cost Principles for State, Local, and Indian Tribal Governments. All weapons shall
38 continue to be ~~((capitalized))~~ tracked countywide by the fleet administration division,
39 personal property section. Other below-threshold items that individual departments want

40 to control may be managed at the department level in accordance with guidelines
41 established by the fleet administration division, personal property section.

42 C. One employee in each department or agency shall be designated as the
43 department's or agency's inventory contact. Property disposal in any department or
44 agency shall be initiated by the inventory contact and approved by the department
45 director or agency head. Documentation shall require the signatures of both the inventory
46 contact and the department director or agency head, as applicable, on the disposition
47 forms sent to the fleet administration division. No transactions will be valid without both
48 signatures.

49 D. The employees in the fleet administration division who are involved in the
50 inventorying and disposing of county personal property, as designated by the manager of
51 the fleet administration division, and members of their immediate families shall be
52 prevented from purchasing or otherwise participating in the purchase of surplus personal
53 property.

54 E. At each sale a bidder sign-up sheet shall be posted to indicate whether the
55 bidder is employed by the county, and, if so, in which department or agency, or whether
56 any member of their immediate family is employed by the county and, if so, in which
57 department or agency.

58 F. The fleet administration division will maintain comprehensive documentation
59 of all

60

61 personal property sales, including those items specified in RCW 36.32.210, as amended,
62 and will document each deletion or change that is made to the final property sale listing.
63


Ordinance 16225 was introduced on 3/24/2008 and passed by the Metropolitan King
County Council on 8/25/2008, by the following vote:

Yes: 6 - Ms. Patterson, Mr. Dunn, Mr. Constantine, Ms. Lambert, Mr. Gossett
and Ms. Hague

No: 0

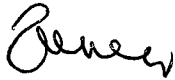
Excused: 3 - Mr. von Reichbauer, Mr. Ferguson and Mr. Phillips

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



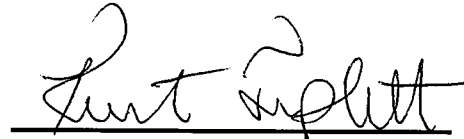
Julia Patterson, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 5 day of September, 2008.



Ron Sims, County Executive

Attachments None

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CLERK
KING COUNTY COUNCIL