## Chapter 30 – Fixed Assets

<table>
<thead>
<tr>
<th>30.80</th>
<th>Appendices</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.80.10</td>
<td>Appendix I – IRS table of Class Lives and Recovery Periods</td>
<td>July 1, 2004</td>
</tr>
<tr>
<td>30.80.20</td>
<td>Appendix II – Surplus Property Fixed Asset Guidelines</td>
<td>July 1, 2004</td>
</tr>
<tr>
<td>30.80.30</td>
<td>Appendix III – Authoritative Sources</td>
<td>July 1, 2004</td>
</tr>
</tbody>
</table>
30.80
Appendices

30.80.10 Appendix I – IRS table of Class Lives and Recovery Periods

Publication 946 on the IRS website.

30.80.20 Appendix II – Surplus Property Fixed Asset Guidelines

SURPLUS PROPERTY
FIXED ASSET GUIDELINES

TO: ALL SURPLUS PROPERTY STAFF

SUBJECT: FIXED ASSET PROCEDURES

DATE: 5-15-03

The following procedures are effective immediately and will clarify Surplus Property's role in the reception and disposal of the State's fixed assets. This will provide accountability by the turn in department and Surplus Property through this part of the asset cycle. This will also address issues related to sales and reimbursement of funds to departments.

RECEIVING:

1. Surplus Property will receive an FC report from the Controller’s Office. This report indicates what assets have been recently transferred to Surplus Property via Advantage. Once the report is received, Surplus will contact the department to schedule a pick up or arrange for a delivery from the department. Once physically received by Surplus, an FC is performed accepting the asset. Receiving staff must provide administrative staff with the FA # in order to accomplish an FC.

2. If an department delivers assets to Surplus, these need to be scheduled whenever possible. However, it is inevitable that departments will show up unannounced. If this occurs and fixed assets are contained in the delivery, receiving staff must verify that
an FC Report was received for the assets. If not, this must be brought to the attention of the supervisor or manager.

3. When picking up at departments, Surplus staff must have the FC Report and verify the assets are present. Surplus will pick up only the assets which have been transferred on the FC Report.

4. When pick-ups or deliveries are being scheduled, staff must ask whether there are any fixed assets and if so, whether an FC has been done. Staff must also inform the department that the assets must be segregated from all other property for ease of verification.

5. If an department claims an asset has already been sent to Surplus, this claim needs to be supported with a BP- 84 (Surplus Property Transfer Document). If there is no supporting documentation, the department must be informed that the asset will be considered lost and an FD will be performed.

6. In all instances of pick-ups or deliveries, whether or not fixed assets are involved, the department MUST submit a BP - 84 with verification by Surplus staff of all items.

7. Upon verification of assets, the FA # and serial # of the asset must be provided to administrative staff who will maintain a database indicating when the asset was received, department, contact name and phone #, description, FA #, serial #, department account #s, disposal date and sold price, if sold. On occasion, assets may be transferred from one State department to another and must be duly recorded on Advantage.

SALES/DISPOSAL:

1. When an asset is sold, the FA # must be recorded on the sales slip. If it is an obvious asset and the FA # is not present, the serial # must be recorded, with the department name and account numbers, if available. This should only apply to property currently in our inventory and would exclude future inventory provided the process is followed.

2. The Office of Information Technology (OIT) has a lease program for computer equipment. The equipment is capitalized and is considered a fixed asset and must be managed accordingly. If, within existing inventory, the FA # is not provided, the serial # and department name must be recorded on the sales slip for OIT equipment. Equipment from other departments; such as, PCs, monitors, printers, fax machines, etc. are not supposed to be on the Advantage Fixed Asset system. These should have been purged
from the system.

3. When a sales slip is greater than $50.00 for a single item, the department account numbers must be recorded on the slip. Property sold as a combination such as computer packages must be noted on the sales slip that only the sale of the CPU is to be reimbursed at 88% to the department.

4. Once a sale is completed or an asset is destroyed, the FA # needs to be provided to Surplus administrative staff in order to perform an FD on the Fixed Asset system which is the final step in the process.

### 30.80.30 Appendix III – Authoritative Sources

Fixed assets in general - Governmental Accounting Standards Board's Codification of Governmental Accounting and Reporting (COD) 1100.106 and 1100.107; 1400 (all); Audits of State and Local Governmental Units, (AICPA), 10.19 and 13.12.

Internal Control - AICPA Audit and Accounting Manual (as of June 1, 1996, section 12,010; National Council on Governmental Accounting (NCGA) Statement 1.

Capital Leases - Generally Accepted Accounting Principles, FAS-13, Accounting for Leases.

Intangible Assets – Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets

FASBS 34 Capitalization of Interest Cost


Surplus Property Procedures - 5 MRSA, section 1811.

Intermediate Accounting 8th ed.  Dr. Donald Kieso and Dr. Jerry Weygandt, 1995

Governmental Accounting, Auditing, and Financial Reporting (Using the GASB 34 model), Stephen J. Gauthier with the Government Finance Officers Association, 2001
GASBS 34 - Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments


Governmental GAAP Guide - For State and Local Governments, Michael A. Crawford and D. Scot Loyd, 2007


5 MRSA Ch 143 1541 § 10-A, Internal control standards
5 MRSA Ch 143 1541 § 14, Fixed Assets