



Connecting Our Community.

Procurement Policy Manual

Policy 7000

Page 1 of 3

CAPITAL ASSET MANAGEMENT POLICY

Board Approval: October 7, 2020

1. POLICY OVERVIEW

- 1.1. Omnitrans shall meet its responsibility to uphold the public trust by prioritizing funding to achieve or maintain capital assets (Assets) in a state of good repair; dispose of Assets in a timely and prudent manner; and maximize the value of public funds by keeping track of fixed assets and promptly disposing of Assets that are no longer needed in an efficient and cost-effective manner.
- 1.2. Asset control is under the general responsibility of the Finance Department.
- 1.3. Omnitrans' fiscal year budget identifies the Assets that have been authorized by the Board of Directors (BOD) for procurement.
- 1.4. Asset control encompasses the following seven major categories:
 - 1.4.1. Land
 - 1.4.2. Buildings and Improvements
 - 1.4.3. Revenue Equipment
 - 1.4.4. Service Vehicles and Equipment
 - 1.4.5. Shop and Garage Equipment
 - 1.4.6. Furniture and Office Equipment
 - 1.4.7. Intellectual Property (including software)
- 1.5. An Asset shall be defined as a transit operating property or equipment owned by Omnitrans and having an expected life in service of one (1) year or more at the time of installation and a unit cost greater than \$5,000. Fixed assets also include an addition, improvement, modification, replacement, re-arrangement, reinstallation, renovation, or alterations to capital assets that materially increase the value of the assets (apart from ordinary repairs and maintenance). Assets are capitalized in accordance with Generally Accepted Accounting Principles (GAAP) issued by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).
- 1.6. Reportable acquisitions encompass Federal Transit Administration (FTA) reportable and FTA non-reportable controllable asset acquisition costs.
 - 1.6.1. Reportable acquisition costs are defined as the net invoice price cost of modifications, attachment accessories, or auxiliary apparatus necessary to make the equipment usable for the intended purpose.

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1.6.2. Non-reportable costs are inspection, installation, transportation, taxed duty or protective in-transit insurance.

2. ASSET TAGS

2.1. All Assets shall be assigned and marked with a unique identification number (ID), and/or via submission of an Asset Reporting Form to the Finance Department.

2.1.1 The Finance Department is responsible for maintaining Asset information and complying with post-award reporting requirements to FTA, including reports of significant events, Federal Financial Report, and Milestone Progress Reports.

2.2. The Finance Department shall be responsible for creating Asset numbers for all land and buildings and reporting on those and other Assets.

3. ASSET RECORDS

3.1. The Finance Department shall gather the information necessary to maintain the Asset database.

4. ASSET OWNERSHIP

4.1. Assets acquired entirely with State and Local funds are the sole property of Omnitrans. Omnitrans is free to use and dispose of such Assets in accordance with the direction of the BOD.

4.1.1. If, however, the Asset is included as revenue financing for a subsequent FTA grant, then it shall be treated as though FTA retained an interest in it.

4.2. Assets acquired with FTA or other Federal project (grant) funds, will be vested with Omnitrans subject to the conditions outlined in the current version of FTA Circular 5010.1E.

5. INVENTORY

5.1. An asset which has either reached the end of its useful life, or for which early replacement will result in vastly improved safety, reliability, efficiency, and/or productivity, may be retired from service and disposed of according to FTA Circular 5010.1E for Capital Assets and Omnitrans policies for Controllable Assets.

5.2. Any assets may be retired or disposed of with the approval of the CEO/General Manager, and subsequently reported to the BOD at the next regularly scheduled BOD meeting.

5.3. FTA funded assets are governed by FTA in Circular 5010.1E.



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Procurement Policy Manual

Policy 7000

Page 3 of 3

CAPITAL ASSET MANAGEMENT POLICY

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5.4. Complete records shall be maintained on the disposition of all excess and retired assets by the Finance Department.

5.5. Assets may be disposed of either through sale, trade, transfer, relocation, scrap, or when irreparable damages result in an insurance loss.

6. PHYSICAL INVENTORY

6.1. The Finance Department will conduct a physical inventory of all fixed assets at least once every two years. The inventory will note the location and condition of all assets, and the results reconciled with records.

6.2. Any discrepancies will be investigated. In connection with this inventory, Omnitrans certifies the existence, current use, and continued need for the asset or real property for purposes specified in its approved FTA grants.