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# Eastern Plumas Rural Fire Protection District

## POLICY HANDBOOK

**POLICY TITLE:** Fixed-Asset Accounting Control  
**POLICY NUMBER:** 3030

**3030.1** The purpose of this policy is to ensure proper accounting control resulting in the maintaining of accurate financial reports of fixed assets.

**3030.2** An accounting, or inventory, of all fixed assets shall be conducted on an annual basis. After the conclusion of said inventory, the Finance Division Manager [or other responsible managing employee] shall certify its completeness and report the results thereof to the Board of Directors at its next regular monthly meeting.

**3030.3** Applicable purchases for inclusion in said accounting shall be the following:

**3030.3.1** Equipment, tools, and vehicles that individually have an original total cost of more than \$500

**3030.3.2** All land and building acquisitions regardless of price; and,

**3030.3.3** Additions or major improvements to the District's service infrastructure.

**3030.4** When any item defined in Section 3030.3.1 above is received, a tag with a unique identification number shall be affixed to said item, and the number recorded in the permanent inventory records.

**3030.5** Permanent inventory records shall be maintained in either a paper file or electronic (computer data base) format. Said records shall be updated whenever a change in the status of a particular fixed asset occurs (e.g., original purchase, sale, destruction, loss, theft, etc.).

**3030.6** Information to be maintained in said inventory records shall include at least the following:

**3030.6.1** Asset number;

**3030.6.2** Description;

**3030.6.3** Manufacturer's serial number;

**3030.6.4** Storage location;

**3030.6.5** Original cost;

**3030.6.6** Acquisition date;

**3030.6.7** Life expectancy; and,

**3030.6.8** Classification code (e.g., office equipment, vehicle, etc.).

Approved August 17, 2009

# Eastern Plumas Rural Fire Protection District

## POLICY HANDBOOK

**POLICY TITLE:** Fixed-Asset Capitalization  
**POLICY NUMBER:** 3032

**3032.1** The purpose of this policy is to provide criteria for determining when assets and associated costs are to be capitalized and depreciated.

**3032.2** Single-item purchases with at least an anticipated useful life of five years and exceeding \$5,000 each shall be capitalized as a fixed asset. The purchase of these fixed assets shall be included on the District's statement of net assets and depreciated over the asset's estimated useful life. The purchase of fixed assets for less than \$5,000 shall be expensed.

**3032.3** Other expenditures of \$5,000 or more that provide a significant increase in future service potential of a fixed asset shall also be capitalized as part of the existing asset.

**3032.3.1** To meet the criteria for a capital expenditure, the purchase should extend the useful life of an asset, increase the quantity of service provided by an asset, or increase the quality of service by an asset.

**3032.3.2** Capital expenditures may include the following: additions (enlargements, expansions or extensions of existing assets), replacements and improvements, and rearrangement and/or relocation of an asset.

**3032.4** Expenditures for normal repairs and maintenance shall not be considered as capital expenditures.

**3032.5** Depreciation will be computed over the estimated useful lives of the assets as follows:

ASSET DEPRECIATION LIFE	
Fixed Asset	Useful Life (years)
General Plant/Structures	50
Reservoirs, Dams, etc.	50
Vehicles	5
Heavy Equipment (normal – light use)	7 – 10
Light Equipment (normal – light use)	5 – 7
Office Equipment	5 – 10
Office Furniture	10 – 15
Computer Equipment	5 – 7

*[Consult your district's auditor for other structures and equipment specific to your agency]*

Approved August 17, 2009

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# Eastern Plumas Rural Fire Protection District

## POLICY HANDBOOK

**POLICY TITLE:** Expense Authorization  
**POLICY NUMBER:** 3040

**3040.1** All purchases made for the District by staff shall be authorized by the Chairperson of the Board, and shall be in conformance with the approved District budget.

**3040.2** Any commitment of District funds for a purchase or expense greater than \$200.00 shall first be submitted to the Board of Directors for approval, or shall be in conformance with prior Board action and/or authorizations.

**3040.3** A "petty cash" fund shall be maintained in the District office having a balance-on-hand maximum of \$100.00.

**3040.3.1** Petty cash may be advanced to District staff or Directors upon their request and the execution of a receipt for same, for the purpose of procuring item(s) or service(s) appropriately relating to District business. After said item(s) or service(s) have been obtained, a receipt for same shall be submitted to the District Treasurer Secretary and any remaining advanced funds shall be returned. The maximum petty cash advance shall be \$50.00.

**3040.3.2** No personal checks shall be cashed in the petty cash fund.

**3040.3.3** The petty cash fund shall be included in the District's annual independent accounting audit.

**3040.4** Whenever employees or Directors of the District incur "out-of-pocket" expenses for item(s) or service(s) appropriately relating to District business as verified by valid receipts, said expended cash shall be reimbursed upon request from the District's petty cash fund or by warrant request if needed. In those instances when a receipt is not obtainable, the requested reimbursement shall be approved by the Chairperson of the Board prior to remuneration.



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# Eastern Plumas Rural Fire Protection District

## POLICY HANDBOOK

**POLICY TITLE:** Employment of Outside Contractors and Consultants  
**POLICY NUMBER:** 3042

**3042.1** The District employs outside contractors or consultants for construction, engineering, planning, and environmental review projects, or for auditing purposes. The District's procedure is as follows:

**3042.1.1** Construction projects will be advertised for bid in at least one local newspaper of general circulation and the local contractors bidding news if available. The bid opening is open to the public and will be specified in the bid documents.

**3042.2** Consultants will be selected by the General Manager and are subject to approval by the Board of Directors. The General Manager and/or Board of Directors will make their selection based on the consultant's experience and qualifications. The consultant will also be required to provide an explanation of scope of work, hours to complete and applicable cost estimate for their services that will be used in their evaluation in the selection process. Consultants for engineering and architectural services shall be evaluated based upon qualification and not on cost of services per state law.

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# Eastern Plumas Rural Fire Protection District

## POLICY HANDBOOK

**POLICY TITLE:** Easement Abandonment  
**POLICY NUMBER:** 3050

**3050.1** Abandonment by the District of its interest in public utility easements and other easements dedicated to the District for installation, maintenance, repair, etc., of its facilities, shall require approval of the Board of Directors.

**3050.2** Commitments to abandon easements or assurances that easements will be abandoned may be provided by staff only after approval of same by the Board of Directors.