



# 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

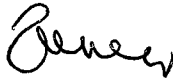
Excused: 3 - Mr. von Reichbauer, Mr. Ferguson and Mr. Phillips

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



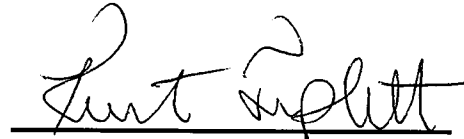
Julia Patterson, Chair

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