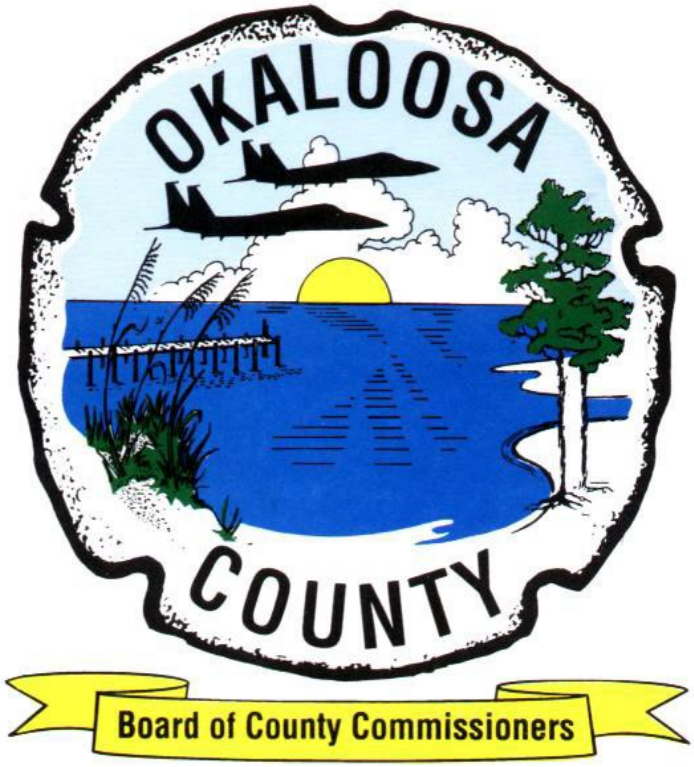
TANGIBLE PERSONAL PROPERTY

MANUAL



Last Revised September 15, 2026

OKALOOSA COUNTY

TANGIBLE PERSONAL PROPERTY MANUAL

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SECTION 1

1. POLICY STATEMENT

A. The Board of County Commissioners of Okaloosa County, Florida, recognizing the constitutional and statutory duties of faithfully representing the citizens, and being desirous of adopting property control and accountability policies consistent with the laws of the State of Florida for the acquisition, disposition, control and accountability of tangible personal property, materials and supplies, do hereby adopt the policies and procedures put forth in this manual, and such policies will remain in force until changed or amended by the Board of County Commissioners in regular session.

An employee found to be in violation of this policy may be subject to disciplinary action in accordance with the County's Human Resources Policy Manual.

B. The primary responsibility for supervision and control of all tangible personal property, materials and supplies rests with the Board of County Commissioners. However, the immediate control and supervision will be delegated in the following manner:

(1) Department Heads/Constitutional Officers/and other Agencies whose property is under the jurisdiction and control of the Board of County Commissioners have immediate control and are hereby delegated the authority and responsibility as Property Custodian, and shall be responsible directly to the Board of County Commissioners consistent with **Chapter 274, Florida Statutes, Chapter 10.550, Rules of the Auditor General, Chapter 69I-73, F.A.C, and directives set forth by the Board of County Commissioners.**

(2) Department Heads/Constitutional Officers/other Agencies may appoint or delegate a person to serve as his/her Property Custodian delegate to carry out the duties of the Property Custodian. However, this does not relieve the Department Head/Constitutional Officer/or other Agencies of their responsibility as Property Custodian.

(3) The Property Custodian shall establish and maintain a system of control & accountability of all property, regardless of the dollar value to guard against misuse, abuse, pilferage, theft, unauthorized abandonment, disposal and cannibalization.

C. There is hereby established a Fixed Asset Control Section under the directorship of the Purchasing Manager who shall establish procedures and responsibilities for its function and operation, consistent with **Chapter 274, Florida Statutes, Chapter 10.550, Rules of the Auditor General, Chapter 69I-73, F.A.C., 2 C.F.R. Part 200 and directives from the Board of County Commissioners**.

The Fixed Asset Control Section shall function under the management of a Fixed Asset Coordinator who will be under the direction of the Purchasing Manager.

DEFINITIONS

The words as used in this manual have the following meanings unless a different meaning is required in the context:

A. "Board" or "County" means the Board of County Commissioners of Okaloosa County.

B. "Cannibalize" means to use as a source of spare parts to repair or build another similar equipment, vehicle, etc.

C. "Computing Devices with Memory" – Any computer, tablet, smart phone, fax/copier/scanner etc. that retains memory.

D. "Conditional Title" means a clear title is withheld pending satisfaction of stated conditions or requirements.

E. "Custodian's Delegate" means a person acting under the supervision of the Property Custodian to whom the custody of property has been delegated by the Property Custodian, and from whom the Property Custodian may require custody receipts.

F. "Department" means County Department, Constitutional Officers and any other Agency to whom custody of County property has been delegated by the Board.

G. "FAIN" means Federal Award Identification Number. A FAIN is comprised of numbers and letters. For example, P375A081922.

H. "Federal Awarding Agency" means the Federal agency providing funds.

I. "Fiscal Year" means the Board of County Commissioners fiscal year (October 1 – September 30) established by Section 218.33(1), Florida Statutes, unless otherwise provided by superseding law.

J. "Fixed Asset Coordinator" means a person who is responsible for maintenance of property records, physical inventory on a fiscal year schedule, special inventories, and who at the direction of the Purchasing Manager maintains an up-to-date list of surplus property, re-issues serviceable property, handles transactions with all agencies on acquisition and disposition of property as well as reports all discrepancies and shortages.

K. "Grant" means financial assistance which also includes a cooperative agreement.

L. "Grant Expense Department Number" means the 5+digit account code that begins with a 7xxxx.

M. "Materials and Supplies" means tangible personal property other than those described as "Property" which are of a consumable nature and the value of which is $4,999.99 or less.

N. "Pass-Through Entity" means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

O. "Percentage of Federal Participation" means the percentage of the Federal portion of the total award budget of a grant or cooperative agreement that is paid with Federal funds.

P. "Property" means tangible personal property of a non-consumable nature, the value of which is five thousand dollars ($5,000) or more, and the normal expected

life of which is one year or more. The County will automatically adopt changes to the tangible personal property dollar threshold set by the State.

R. "Attractive Items" Departments may also elect to account for Attractive Items. These items have similar characteristics of capital property, but are generally under the capitalization threshold. Departments may still record their existence for tracking purposes. Attractive items are recorded under fixed assets and should not be included in the depreciation process. Some examples of attractive items are Laptops, Firearms, Cell Phones, Cameras.

S. "Scrap Metal" is hereby defined as "tangible or commodity" ferrous and/or non-ferrous metal which has lost its value or use. This metal may be part of an inoperative piece of equipment (attached or unattached) or may consist of loose non-identifiable items. The Board has authorized the Purchasing Department to exclusively control the sale or disposal of scrap metals.

T. "Surplus" means obsolete, or the continued use of which is uneconomical or inefficient, or which serves no useful function.

U. "Title Holder" means the party that retains ownership or title.

3. SEVERABILITY

Should any section or provision of this Ordinance or any portion thereof, or any paragraph, sentence, or word be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder hereof other than the part declared to be invalid.

SECTION 2

PROPERTY RECORDS, ACQUISITION COST, RECORD RETENTION AND ACCESS

1. ESTABLISHING PROPERTY INVENTORY RECORDS

A. The word "Property" as defined in Section means tangible personal property of a non-consumable nature with a value of $5,000 or more and a normal expected life of one (1) year or more. The County will automatically adopt changes to the tangible personal property dollar threshold set by the State. Each item of property which is practical to identify by marking shall be marked in accordance with the Rule 69I-73, F.A.C., and directives from the Board.

B. An individual property record shall be established on each item of tangible personal property, which reflects the following information:

(1) Description of Item or items
(2) Date acquired
(3) Unit and Total Acquisition Cost (include freight and installation cost in total)
(4) Purchase Order, Invoice & Check Number
(5) Make, Model, Year and Type (if applicable)
(6) Serial Number/VIN (Vehicle Identification Number) (if applicable)
(7) Entity the Property was purchased From
(8) Physical Location of Property
(9) Vehicle Registration Number (tag) (if applicable)
(10) Title Certificate Number (if applicable)
(11) Department
(12) Date of Last Physical Inventory and Condition of Property (Good, Fair, Poor)
(13) County Property Identification Number
(14) Any additional information as may be required to ensure efficient control and accountability.
(15) The following additional information if purchased with Grant funds:
    a. Granting Agency
    b. Grant Number
    c. FAIN (if applicable)
    d. Grant Expense Department Number
    e. Use of Item
    f. Percentage of Federal Participation (if applicable)
    g. Title Holder or Owner
    h. Pre-Disposition Instructions Required
    i. Disposal Date and Sale Price (if sold)

2. PROPERTY ACQUISITION COST

A. Acquisition cost is the procurement cost, i.e.. invoice price, plus freight and installation charge less discounts. No adjustments are made when value exceeds cost except in instances where cost represents a token amount.

B. Whenever the transaction involves the trade-in of an item of property, the allowance is added to the cost disbursement to arrive at the acquisition cost.

C. Acquisition of surplus property and donations are to be recorded at "fair market Value" or a reasonable and equitable estimate of such value on the date of acquisition.

D. Each item of property must be recorded in the property accounts of individual departments, including items found for which no prior record is available.

3. RECORD RETENTION AND ACCESS

1. Records for equipment acquired with Federal funds must be retained for 3 years after final disposition. See 2 C.F.R. §200.334 (c).

2. The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, if applicable, or any of their authorized representatives, must have the right of access to any documents, papers, or other records which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to personnel for the purpose of interview and discussion related to such documents. See 2 C.F.R. §200.337 (a).

3. Expiration of right of access. The rights of access in this section are not limited to the required retention period but last as long as the records are retained. See 2 C.F.R. §200.337 (c).

SECTION 3

PROPERTY INVENTORY PROCEDURES

1. PHYSICAL INVENTORY

A. A complete physical inventory of all tangible personal property with a value of five thousand dollars ($5,000) or more purchased under the equipment control account shall be inventoried annually. This shall include a verification that a specific item exists and is in the location specified on the property record. The inventory shall be a sight verification; not one obtained by letter or telephone. Further, the individual taking inventory shall not be the custodian charged with accountability and control of property.

B. The initial inventory used for setting up the property record will be taken as of the same date for all property included therein, but future inventories may be taken on a regularly scheduled basis throughout the year. The schedule will be arranged so that all property shall be inventoried once during each fiscal year.

2. RESPONSIBILITY FOR CONDUCTING PHYSICAL INVENTORY

A. The Fixed Asset Coordinator will be charged with the responsibility of conducting physical inventories of all departments. Inventories will be conducted in accordance with Board directives, Florida Statutes, Rule 69I-73, F.A.C., and the U.S. Code of Federal Regulations.

B. While the Fixed Asset Coordinator is actually conducting the physical inventory of the individual departments, the Property Custodian shall accompany him/her, present the inventory items and provide information and assistance as may be required.

3. SHORTAGES NOTED DURING INVENTORY

A. All shortages noted during inventory shall be thoroughly investigated by the Property Custodian to determine the circumstances surrounding the disappearance of said item of property. The results of such shortages shall be reported to the Board through the Purchasing Manager.

B. Items of property determined to be missing shall not be removed from inventory until directed to do so by the Board.

C. Shortages resulting from documentation error may be dispositioned by the County Administrator, providing there is substantial documentation to support the property's removal from inventory. All support documentation shall become a part of the property's permanent history.

4. CHANGE OF PROPERTY CUSTODIAN

A. Whenever there is a change in assignment of Property Custodians, the Fixed Asset Coordinator shall conduct a special physical inventory.

The Fixed Asset Coordinator shall be notified as far in advance as possible of the need to conduct a special inventory so he/she may arrange his/her schedule and prepare to conduct the inventory requested.

The special inventory shall be taken in the presence of both the outgoing and incoming custodian or his/her designated representative. If both the custodians or their designees are unable to accompany the Fixed Asset Coordinator at the same time, two separate special inventories will be required. All discrepancies noted will be reported as outlined in 3A above.

SECTION 4

MARKING AND IDENTIFICATION OF PROPERTY

1. IDENTIFICATION & MARKING OF PROPERTY

A. Each item of property shall be given an identification number that will become a permanent part of the individual item of property. The identification number may be affixed to property by any one of the following methods or a combination thereof:

(1) Metal tags
(2) Steel dies
(3) Branding iron
(4) Paint and stencils
(5) Electric pencil
(6) India or indelible ink
(7) Metal decal comania stamps (permanent type)
(8) Barcode or other electronically readable tag or decal

B. The method of marking shall be determined by the Fixed Asset Coordinator under the direction of the Purchasing Manager and in accordance with Board policies and directives.

C. Type of marking used for property identification will depend on the class of property. Metal tags and metal decal comania stamps should not be used to mark automobiles, trucks, draglines, bulldozers, etc. Painting or use of permanent type adhesive numbers will be the approved method of marking this type of property.

2. ASSIGNMENT & INSTALLATION OF PROPERTY IDENTIFICATION NUMBER

The Fixed Asset Coordinator will be the only one authorized to assign and install the property identification number. If the department must have a departmental control number for their use, it will be permitted under the following conditions:

(1) That it not be displayed on the exterior of the property where it can become confused with the property identification number.

(2) That all transactions relating to inventory, maintenance, requisitioning of repair parts and acquisition of motor fuels, etc., reflect the property identification number and not the departmental control number.

(3) Prior to the installation of the departmental control number, the Property Custodian shall coordinate with the Fixed Asset Coordinator to ensure compliance with 2 (1) above.

3. LOCATION & COMPOSITION OF PROPERTY IDENTIFICATION NUMBERS

A. Property identification shall be located uniformly on similar types of property as shown below:

(1) Desk and Tables: (Front left just below top)
(2) Chairs: (Back center of chair seat)
(3) File Cabinets, Lockers, Racks, Etc.: (Front top left corner)
(4) Office Machine and Accessories, Upholstered and Decorative Furniture, etc.: (Attach where most convenient, but so as not to mar the appearance)

B. Marking of Over-the-Road Type Automotive Property

(1) All sedans, station wagons, carryalls, panels, vans, pickups, dump trucks (both light and heavy), truck tractor, truck cargo, flat bed and other similar type vehicular equipment shall have the property identification number center 1" immediately under department decal, which will also be centered on both right and left doors. The size of property identification numbers shall be 2". In cases where the truck is a 6-passenger crew cab vehicle, the decal and property identification number shall be placed on the front doors.

(2) Construction and special purpose type equipment shall have the property identification number affixed where it will be readily visible, and not subject to obliteration.

(3) Stenciling and decaling of all vehicles/heavy equipment shall be performed by Fleet Operations.

(4) County decals, along with the property identification number, shall be placed on all new equipment prior to it being placed into operation.

C. Composition of Property Identification Numbers

The County property identification number shall be affixed on the property by the Fixed Asset Coordinator. At this time, the Fixed Asset Coordinator shall also assign a prefix to the property number for vehicular/heavy equipment which shall indicate the model year and group type code associated with the individual item.

The prefix when added to the County property identification number will comprise the complete property identification number. For example, all vehicular type property will be denoted as follows:

(1) First two (2) digits represent the model year.

(2) Third digit identifies the group type code (see Group Type Code Identification for Self-Propelled & Motorized Equipment) located at the end of this section.

(3) Fourth-Eighth digits are the County property identification numbers assigned to the individual item.

Examples, of various property identification numbers are as follows:
- Desk – xxxxx,
- Vehicles 17Cxxxxx – indicates a 2017 pickup truck

GROUP TYPE CODE IDENTIFICATION FOR SELF-PROPELLED & MOTORIZED EQUIPMENT

CODE	DESCRIPTION
A	Sedan, Station Wagon, Passenger Carrying Type Vehicles
B	Truck, Panel, Carryall and Passenger Carrying Vans
C	Truck, Pickup, 1/2 Ton through 1 Ton
D	Truck, Dump (All)
E	Truck, Cargo, Flatbed and Stake Body, 3/4 Ton through 5 Ton
F	Truck, Fuel Service (All)
G	Truck, Utility and Service, Garbage and Sludge
H	Truck, Tractor (All)
I	Ambulance and Emergency Vehicles, Fire Truck
J	Bus (All)
K	Cranes, Stationary and Track Mounted, Trench Digger
L	Loaders (All)
M	Dozers (All)
N	Graders (All)
O	Reserved
P	Pan and Scraper
Q	Backhoe (All)
R	Roller (All)
S	Sweepers (All Seeder, Fertilizer Spreader (All), Stripping Machine (All)
T	Trailers (All)
U	Tractors, Farm (All) and Lawn (All)
V	Machine Paving, Pulverizer, Tar Distributor (All), Cement Mixer, Mortar Mixer, Bush Chipper, Disc Harrow
W	Truck, Water (All)
X	Mowers, Rotary, Self-Propelled, Push Type, Lawn Maintenance Related Equipment and Saws (All)
Y	Compactor, Trash and Earth
Z	Miscellaneous Stationary and Towed Equipment, Steam Cleaner, Pressure Washer

SECTION 5

DUTIES AND RESPONSIBILITIES OF DEPARTMENT PROPERTY CUSTODIAN

1. RESPONSIBILITIES

The Property Custodian shall be responsible for the use, supervision, control and accountability of County property within his/her jurisdiction and shall not transfer, trade, modify, cannibalize, or otherwise dispose of said property without first complying with applicable Federal and State requirements and the procedures outlined herein. Property and supplies may be acquired in whole or in part from various sources of Federal funding which may include additional requirements.

2. PROPERTY ACQUISITION AND REPORTING PROCEDURES

When property is received into a department, the Property Custodian shall:

Complete an Acquisition or Disposition Report - form PUR01 (available in the Purchasing Department) on each item of property received, whether it is obtained through donation, Purchasing Department by purchase order, contract, credit card or purchased directly by the department.

3. PROPERTY USE

The Property Custodian shall assure that the property is used for its authorized purpose which includes:

1. Being used in its assigned location.

2. Ensure that the property identification number on all marked items, along with the County decal for vehicular property, will remain visible and affixed.

3. Being used in conformance with any supplemental grant requirements.

4. If acquired with Federal grant funds and unless the Federal agency states otherwise, the County will hold a ***conditional title*** *subject to* the following conditions:

    a. Use of the property is for the authorized purposes of the project during the grant period of performance or until it is no longer needed for the project. Note that the Federal agency may require the County to record liens or other notices to indicate that the property was acquired or improved with Federal funds and that use and disposition conditions apply.

    b. During the time that the property is being used for the project or program for which it was acquired, the County must also make the property available for use by other projects or programs currently or previously supported by the Federal Government, *provided that such use will not interfere with the work for which it was originally*

acquired. First preference for other use must be given to other programs or projects supported by the Federal agency that funded the equipment and second preference must be given to programs under Federal awards from other Federal awarding agencies. Use for non-federally funded programs or projects is also permissible. User fees should be considered if appropriate.

c. To earn program income, the County can't use the equipment acquired with the Federal grant funds to provide services for a fee that is less than a private company would charge for an equivalent service unless specifically authorized by Federal statute for as long as the Federal Government retains an interest in the property.

d. The property must not be encumbered without approval of the awarding agency.

e. When the grant has expired and the property is no longer needed, it may be used for other grant projects in the following order of priority:

(1) Federal grant from the same Federal agency that originally bought the item, then

(2) Federal grant from other Federal agencies. This includes consolidated information technology systems.

See 2 C.F.R §200.313 & §200.316.

4. PROPERTY TRANSFERS

When an item of non-grant property becomes obsolete or no longer serves a department's needs, the property can be transferred to another department.

A. If a department desires to transfer an item of non-grant funded property from their department to another department, the process differs slightly based upon the type of property.

For all property ***except*** computing devices or property with memory, software, computer accessories, vehicles and heavy equipment, the Property Custodian must:

(1) Complete the required information on the Acquisition or Disposition Report for the item being transferred, and sign and date the report.

(2) Deliver the property to the recipient department and obtain the recipient's signature and date on the same Acquisition or Disposition Report.

(3) Forward the completed Acquisition or Disposition Report to the Fixed Asset Coordinator.

B. For Computing Devices or Property with Memory, Software and Computer Accessories,

The Property Custodian must:

(1) Complete the required information on the Acquisition or Disposition Report

for the item being transferred, and sign and date the report as Property Custodian.

(2) The item and the Acquisition or Disposition Report will be transferred to the Information Technology Department who will temporarily take possession and acknowledge receipt by initialing and dating the Acquisition or Disposition Report accompanying the item. The Information Technology Department will hold the item briefly assuring all files have been transferred, then delete the electronic memory, sign and date the Acquisition or Disposition Report confirming that the item is prepared for transfer or disposal. If for disposal, the item including the completed report will be transported by the Information Technology Department to the Central Disposal Holding Area (boneyard).

(3) Forward the completed Acquisition or Disposition Report to the Fixed Asset Coordinator.

C. Vehicle or Heavy Equipment

The Property Custodian must:

(1) Complete the required information on the Acquisition or Disposition Report for the item to be transferred to the Fleet Operations Department, and sign and date the report as Property Custodian.

(2) Deliver the property and the report to Fleet Operations Department, and obtain Fleet's signature and date received on the same Acquisition or Disposition Report.

(3) Forward the completed and signed Acquisition or Disposition Report to the Fixed Asset Coordinator.

D. The receiving department shall complete the following after receiving custody of the item:

(1) Complete an Acquisition Report on the item.

(2) Forward the document to the Fixed Asset Coordinator.

5. PROPERTY TRANSFERS – GRANT FUNDED

When an item of grant funded property is no longer needed for the purpose in which it was acquired the Property Custodian should consult with their department's grant program manager for direction. Granting agency's requirements should always be met prior to any transfer.

6. TRADE-IN OF PROPERTY

When an item of property becomes obsolete or no longer serves a department's needs, the property can be used as a trade-in on new property. Prior to doing so the Property Custodian must obtain written authorization from the County Administrator. If the County Administrator determines it would be more advantageous for Okaloosa County to trade-in old property and grants approval to do so, prior to the trade, the Purchasing Manager via a Board agenda item will request Board approval to trade-in the item and remove the existing item from inventory. Upon Board approval the Property Custodian shall:

A. Complete an Acquisition or Disposition Report, and forward it with the original County Administrator approval document, to the Fixed Asset Coordinator. Upon receipt of this information and Board approval, the Fixed Asset Coordinator will annotate property records to reflect the trade-in and remove the item from active status.

B. Prior to actual trade-in, the Property Custodian shall contact the Fixed Asset Coordinator to remove or obliterate County property numbers and County decals from the item.

7. TRADE-IN OF FEDERAL GRANT FUNDED PROPERTY

When acquiring replacement property, the County may use the property to be replaced as a trade-in or sell it and use the proceeds to offset the cost of the replacement property. Granting agency requirements should always be met prior to any trade-in. Once they have been met, the Trade-In of Property procedures above shall be followed.

See 2 C.F.R §200.313(c)(4)

8. DISPOSITION OF PROPERTY

When an item of property becomes obsolete or no longer serves the needs of a department and the option of transferring or trade-in is not feasible, the property will be disposed of using one of the two options below, depending on the source of funding used for the original or replacement purchase.

A. DISPOSITION OF NON-FEDERALLY FUNDED PROPERTY

The Property Custodian will complete an Acquisition or Disposition Report for a non-federally funded acquired property and forward it, with the property, to either the Central Disposal Holding Area (boneyard), Information Technology or Fleet Operations with a suspense copy to the Fixed Asset Coordinator.

B. DISPOSITION OF FEDERALLY FUNDED PROPERTY

When original or replacement property is purchased from a Federal award and is no longer needed, ***the Department Property Custodian in coordination with the t Department's Grant Program Manager, must first satisfy any grant specific disposition requirements. The Department Property Custodian shall then request written disposition instructions from the Federal awarding agency.***

The Federal awarding agency <u>will choose one</u> of the three options below:

(1) Property with a current per unit fair market value of $5,000 * or less may be retained, sold or otherwise disposed of with no further obligation.

(2) If disposition instructions aren't received from the agency within 120 days following the written request, property with a current per unit fair-market value in excess of $5,000* may be retained by the County or sold. However, the Federal awarding agency must be compensated for its share of the current market value or proceeds from the sale. See 2 C.F.R. §200.313, paragraph (e)(2) for the calculation methodology. If the equipment is sold, the Federal agency may permit the County to

deduct and retain from the Federal share, $500 or 10% percent of the proceeds, whichever is less, for its selling and handling expenses.

(3) Transfer title to the property to the Federal Government or to an eligible third party after the County is compensated for its share of the current fair market value of the item.

* Federal limit is $5,000

Following receipt of the Federal agency's disposition instructions from the respective Department's Program Grant Manager, the Property Custodian will complete an Acquisition or Disposition Report with a copy of the Federal agency's instructions for disposition, and deliver with the property to either the Central Disposal Holding Area (boneyard), Information Technology or Fleet Operations, with a suspense copy to the Fixed Asset Coordinator.

See 2 C.F.R. §200.313(e)

C. DISPOSITION OF FEDERALLY FUNDED SUPPLIES

(1) Title to supplies will be held by the County upon acquisition. If there is more than $5,000* in aggregate of unused supplies when the grant project or program ends *and the supplies are not needed for any other Federal award, the County* can retain the supplies or sell them, but must, in either case, compensate the Federal Government for its share. The amount of compensation must be computed in the same manner as in 2 C.F.R. §200.313, paragraph (e)(2).

(2) As long as the Federal Government retains an interest in the supplies, the County must not use them to provide services to other organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute.

* Federal limit is $5,000

See 2 C.F.R §200.314.

9. FEDERALLY OWNED AND EXEMPT PROPERTY

Federally owned property means property purchased or fabricated with Federal funds in which *the* ***Federal Government retains title or ownership***.

A. Annual Reporting

The Property Custodian in coordination with their respective department's grant manager must submit annually an inventory listing of federally-owned property in its custody to Contracts & Grants by October 31st of each year for the preceding year ending September 30th or (another specified date by the Federal agency) for submission to the Federal awarding agency.

B. Disposition

1. Upon completion of the Federal award or when the property is no longer needed, the County must report the change in status to the Federal awarding agency and request disposition instructions.

2. If the Federal awarding agency has no further need for the property, it must declare the property excess and report it for disposal to the appropriate Federal disposal authority. The Federal awarding agency ***must*** issue appropriate instructions to the County.

C. Exempt Property

Exempt Federally-owned property means property acquired from a Federal award where the Federal awarding agency has the authority and so chooses to issue title to the property to the County without further obligation to the Federal Government. Otherwise, title to federally owned property remains with the Federal Government.

See 2 C.F.R §200.312.

10. PROPERTY DAMAGE OR THEFT

Known or suspected damage or theft of County owned or Federally owned property held in trust shall be reported as outlined below:

Upon discovering that damage, loss or theft has occurred, the department Property Custodian shall immediately report it to:

1. The Fixed Asset Coordinator and
2. The appropriate law enforcement agency.
3. If grant-funded, it must also be reported to their respective department's Grant Program Manager.

After law enforcement has completed their initial investigation and the Purchasing Department has been informed, the Purchasing Manager shall list the item(s) on the Board's agenda for approval to be removed from the County Fixed Asset Ledger in accordance with Board instructions, Florida Statutes and Florida Administrative Code.

11. PROPERTY CANNIBALIZATION

Cannibalization of County property assigned to any department is not authorized at any time regardless of its condition or status, *except* as outlined below:

Cannibalization of County property is prohibited without written authorization from the County Administrator. Therefore, any department wishing to cannibalize an item of property must first:

1. Submit a detailed written justification as to why and what serviceable or useable parts shall be removed, placed in stock, and reported as receipts to perpetual inventory control with the residual placed in the appropriate scrap collection area to the County Administrator through the Fixed Asset Coordinator requesting permission to do so. Note that no computing device

cannibalization is allowed by any employee or any department other than the Information Technology Department.

2. If the County Administrator determines it to be in the best interest of Okaloosa County and authorizes cannibalization, prior to cannibalization the Property Custodian shall Complete an Acquisition or Disposition Report and forward it to the Fixed Asset Coordinator so that the Purchasing Manager via a Board agenda item will request Board approval to cannibalize the item. Upon Board approval, the item will be removed from the property records and turned over to the respective department for cannibalization.

12. PROPERTY MODIFICATION

Modification of County property from the original design and purpose for which it was obtained is not authorized, *except* by approval of the County Administrator. Therefore, any department wishing to modify an item of property must first:

1. Submit a detailed written request as to why and what is to be modified on the property to the County Administrator through the Purchasing Manager. If permission is granted for modification, the Property Custodian will forward a report to the Fixed Asset Coordinator giving cost factors involved so adjustments can be made to the total cost of the item concerned.

2. Components of original equipment configuration removed and not used in the modified configuration will be placed in stock, and reported as receipts to perpetual inventory control with the residual placed in the appropriate scrap collection area or if marketable forwarded for disposition.

13. MAINTENANCE REQUIREMENTS

For federally funded property, adequate maintenance procedures must be developed to keep the property in good condition per 2 C.F.R. §200.313(d)(4).

14. PROPERTY WAITING DISPOSITION

Once an item of property has been turned over to Purchasing for disposition, the Purchasing Department assumes accountability and control from that point forward until the item is disposed of. Therefore, individual departments no longer have jurisdiction and control over the property.

SECTION 6

PROPERTY USE

1. AUTHORIZED USE

County or Federally owned tangible personal property which includes, vehicles, equipment, fixtures, supplies, commodities etc., held in trust by the County will be used for the purpose for which designed and purchased. Any other use will be considered abuse or misuse and may result in appropriate disciplinary action against personnel involved. Some examples of abuse and misuse are as follows:

A. ABUSE

(1) Using property for purposes other than for which it was designed;
(2) Permitting excessive wear and/or damage;
(3) Excessive engine RPMs;
(4) Excessive speed;
(5) Rough and abusive handling during operation;
(6) Improper service or care;
(7) Overloading (Mfg. specified rating).

B. MISUSE

(1) Use of County property in or on private property;
(2) Utilizing County property for personal use and gain;
(3) Any purpose other than an official County or grant specific function

2. PRIVATE PROPERTY STORED, REPAIRED OR USED ON COUNTY FACILITIES

At no time shall privately owned property be repaired or stored in or on County facilities.

SECTION 7

PROPERTY DISPOSAL

1. RESPONSIBILITY

The disposal of tangible personal property, materials and/or supplies deemed surplus property is the responsibility of the Purchasing Department under the direction and guidance of the Board of County Commissioners.

Authorization for disposal of any type property of Okaloosa County shall be recorded in the minutes of the Board meeting in regular session, as required by Chapter 274, Florida Statutes. Board approval of disposition of an item shall constitute authorization to remove the item from inventory accountability and control.

2. PROCEDURES

A. Each department who has property, or materials and supplies that become surplus shall report it to the Purchasing Department for proper disposition. Reports shall be made utilizing the Acquisition or Disposition Report form provided by the Purchasing Department. The completed Acquisition or Disposition Report shall reflect the transfer of the item to the Central Disposal Holding Area (boneyard) and accompany the property. A suspense copy of the report shall be forwarded to the Fixed Asset Coordinator.

B. The Purchasing Manager shall require an inspection to be made of all items reported as surplus or obsolete to verify serviceability and condition. Vehicles and heavy equipment will be evaluated by means of a limited technical inspection performed by the Fleet Operations Department and the results forwarded to the Purchasing Manager for proper coordination and disposition.

C. Each department will be responsible for transportation of the property to the Central Disposal Holding Area (boneyard) ***except for***

(1) computing devices and accessories, items with memory, software,

(2) vehicles and heavy equipment

which will be transported as applicable with the completed Acquisition or Disposition Report to either the Information Technology Department or Fleet Operations Department.

D. All surplus vehicles and heavy equipment shall be transferred to Fleet Operations for incorporation into their fleet, if feasible. Those items found to not be unusable will be held in a Central Disposal Holding Area (boneyard) for auction or prepared for transportation to the assigned auction company. Either way, an Acquisition or Disposition Report will be completed for the item and forwarded to the Fixed Asset Coordinator.

E. An Information Technology Department representative will initial and date the completed Acquisition or Disposition Form accompanying the property delivered to them as evidence of receipt.

The Information Technology Department will remove any necessary software, check for condition and physically transfer the item to the Central Disposal Holding Area (boneyard) when complete. The Information Technology representative will sign and date the completed Acquisition or Disposition Form documenting that the item with memory has been cleared for disposal and forward to the Fixed Asset Coordinator.

F. Surplus fixed assets and associated equipment with an estimated value of less than $5,000 will be offered to eligible non-profits for a period of not less than five days. An eligible non-profit may express interest for item(s) by submitting a written request that includes a description of the requested item(s), proposed use/need for the item(s), and a statement that the non-profit intends to utilize the item(s) for the stated purpose. An asset transfer agreement shall be prepared for each donated item for execution by the County Administrator following Board action.

G. Prior to a transaction relating to surplus property, materials and/or supplies, the Purchasing Manager via a Board agenda request will forward the surplus list to the County Administrator with one or more of the following recommendations for the manner of disposition:

(1) Trade-in on new equipment.
(2) Cannibalize for parts.
(3) Sell by public auction
(4) Sell by sealed bid to the highest bidder
(5) Sell as scrap.
(6) Donate in accordance with F.S. §274.05

3. PROCEDURES FOR SALE OF PROPERTY

A. SEALED BID PROCEDURES

1. It shall be the responsibility of the Purchasing Manager to ensure that an Invitation to Bid notice is placed not less than 1 week nor more than 2 weeks prior to sale in a newspaper having a general circulation in the county in which is located the official office of the governmental unit. The advertisement will contain method of sale (sealed bid), location where the property can be inspected, date of sale or bid opening and sale location.

2. The surplus sale or bid opening shall be conducted by the Purchasing Manager or his/her designated representative, or upon Board approval, contracted out and handled under the direction of the Purchasing Manager. A record of all sales/payments shall be maintained.

3. Property shall be sold to the highest bidder with payment made at time of sale.

4. Property sold must be removed from County premises within seven (7) working days. Under unusual hardships, the Purchasing Manager may grant exceptions. However, neither the County nor any employee thereof shall

be held responsible for any property remaining after sale.

5. All property will be sold in "where is" "as is" condition, and all sales shall be final at time of sale. However, the Purchasing Manager shall have the authority to reject any and all bids determined not to be in the best interest of Okaloosa County.

B. CONTRACTED AUCTION PROCEDURES

1. It shall be the responsibility of the Purchasing Manager to ensure that if an auction company is used, that said company places an ad not less than 1 week nor more than 2 weeks prior to the sale in a newspaper having a general circulation in the county in which is located the official office of the governmental unit. The advertisement will contain method of sale (auction), location where the property can be inspected, date of sale and location of sale.

   a. The auction shall be conducted by the Contractor and handled under the direction of the Purchasing Manager.

   b. The property shall be sold to the highest responsible bidder with payment made to the auction company who in turn promptly issues a check for the net proceeds to Okaloosa County.

   c. All property will be sold in "where is" "as is" condition, and all sales shall be final at the time of sale. However, the Purchasing Manager shall have the authority to reject any and all bids determined not to be in the best interest of Okaloosa County.

C ON-LINE AUCTION

The property may be advertised for sale through an electronic internet vendor unless the estimated value of the property is $5,000 or more in which case, it must be sold to the highest responsible bidder, or by public auction, after publication of notice not less than 1 week nor more than 2 weeks prior to the sale in a newspaper having a general circulation in the county in which is located the official office of the governmental unit.

4. COLLECTION AND SALE OF SCRAP METALS

A. Scrap Metals which have lost all value in their original form will be deposited in locations designated by the Purchasing Manager for the purpose of sale, unless otherwise directed by the County Administrator or Board of County Commissioners.

B. Scrap metals may be sold by public auction or by attempting three (3) quotes to obtain the highest possible price whichever process is determined by the Purchasing Manager to be in the best interest of the County.

C. Proceeds from the sale of scrap will be returned as revenue to the General Fund, unless otherwise specified by the County Administrator/Board of County Commissioners or Florida State Statutes.