



KEN BURKE

CLERK OF THE CIRCUIT COURT AND COMPTROLLER — PINELLAS COUNTY, FLORIDA

Clerk of the County Court
Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
Custodian of County Funds
County Auditor
Clerk of the Water and Navigation Control Authority

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TO: Agencies and Departments:
Board of County Commissioners
Clerk of the Circuit Court and Comptroller
Property Appraiser
Supervisor of Elections
Tax Collector

FROM: *KTB*
BAB Ken Burke, CPA, Clerk of the Circuit Court and Comptroller
Barry Burton, County Administrator

SUBJECT: Threshold Increase, Tangible Personal Property (From \$1,000 to \$5,000)
Threshold Increase, Intangible Assets (From \$1,000 to \$50,000)
Attractive Items, Inventory Request & Procedures

DATE: August 10, 2021

As you may know, recent modifications to the Florida Administrative Code, as referenced in Florida Statute 274.02 (2), provided rule changes regarding the capitalization thresholds for tangible personal property and non-capital assets subject to inventory procedures. Accordingly, the following adjustments are being implemented with an effective date of October 1, 2020 ~

Item	Description	Threshold
Tangible Personal Property	Decreases inventoried assets by 13,553 items with a Net Book Value of \$5.675 million	Increased from \$1,000 to \$5,000
Intangible Assets	Decreases inventoried/recorded assets by 398 items with a Net Book Value of \$1.024 million	Increased from \$1,000 to \$50,000
Attractive Items	*Classified as <i>Attractive</i> and authorized by the local government for inventory	Items under \$5,000 deemed <i>Attractive</i>

Inventory thresholds will be applied retroactively, and financial reporting thresholds will be applied prospectively, with prior year items reflected as disposals.

***Attractive Items** are tangible personal property used in government operations having a cost less than the established capitalization threshold (\$5,000) and requiring special attention for reasons including: legal compliance, public safety, avoidance of potential liability, or to compensate for a heightened risk of theft.

In order for inventory procedures, which include the tagging, counting, adjustments for additions or deletions and standard reporting, to be applied, County departments and the applicable constitutional offices are asked to report their list of items deemed *Attractive* to the Clerk of the Circuit Court and Comptroller's Finance Division. The Finance Division will ensure the *Attractive* inventory is recorded in the Oracle Fixed Assets module.

Effective immediately, please refrain from utilizing capital outlay accounts (564xxx) for tangible personal property purchases, including designated “attractive items,” costing less than \$5,000. Purchase orders, invoices and expense reports for items under the new threshold should be coded to the appropriate operating account string. For departments under the Board of County Commissioners this change will not impact budgetary control restrictions since the Board’s control level rolls up to the center level. For departments under the Clerk of Circuit Court and Comptroller, budget transfers may be required. Should purchase orders already exist with coding to a capital outlay account, the Finance Division, for the remainder of the fiscal year, will recode invoices to the appropriate operating account in compliance with the threshold change.

Should you have any specific questions, please feel free to contact the Finance Division for assistance at ClerkFinanceDivisionFixedAssets@mypinellasclerk.org.

CC: Jeanette L. Phillips, CPA, CGFO, Chief Deputy Director, Finance Division
Bill Berger, Director, Office of Management and Budget
Susan Krause, Director, Sheriff’s Office

Attachments & References:

1. Pinellas County Board of County Commissioner’s authorization for County Administrator to adjust County tangible personal property (fixed assets) threshold limits to correspond to State Statute, dated June 22, 1999.
2. *Memorandum of Understanding* between Pinellas County Board of County Commissioners and the Pinellas County the Clerk of the Circuit Court and Comptroller transferring responsibilities for accounting and reporting of property, inventory and surplus activities, dated September 18, 2007.
3. Florida Statute Section 274.02(2), Record and Inventory of Certain Property.
4. Florida Administrative Code, Rule 69I-73.002, *Threshold for Recording Property*.
5. Tangible personal property - defined by Section 274.02, Florida Statutes, as “fixtures and other tangible personal property of a non-consumable nature.” Tangible personal property can be physically relocated, such as furniture, office equipment, vehicles, and other machinery and equipment.
6. Intangible assets – defined as a subset of capital assets that lack physical substance, are nonfinancial in nature, and have estimated useful lives extending beyond a single reporting period. Examples include water rights, right-of-way easements or land use rights, internally generated software, intangible right-to-use leased assets for long-term lease agreements, and intangible right-to-use subscription assets related to information technology arrangements.

No. 26
BCC 06-22-99
9:30 A.M. Buckley

Cor. Comp.

#26 AUTHORIZATION GRANTED FOR ADJUSTMENT OF THRESHOLD FOR TANGIBLE PERSONAL PROPERTY (FIXED ASSETS)

County Administrator Fred E. Marquis recommended authorization be granted to adjust the dollar threshold for tangible personal property (fixed assets) in accordance with Florida State Statute 274.02, from \$500.00 to \$750.00; and further recommended that the Board authorize the County Administrator to adjust future County tangible personal property threshold limits to correspond to State Statute.

Commissioner Todd moved, seconded by Commissioner Harris and carried, that the recommendations of the County Administrator be approved.

6-29-99 Copy of BO to Bill Channer, Finance; Purchasing Dept.; Linda Reed, BCC Records; Copy of BO, Bd memo, CRS to Michelle Farnish, Finance; Original BO, Bd memo, CRS to file.

7-28-99 Copy of BO, Bd memo, CRS to Mary Jo, Tax Collector.
8-30-99 Faxed Copy of BO to Rich, Purchasing.

COMMISSION AGENDA
6/22/99
#26

TO: The Honorable Chairman and Members of the
Board of County Commissioners

FROM: Fred E. Marquis
County Administrator

SUBJECT: Adjustment of Threshold for Tangible
Personal Property (Fixed Assets)

DATE: June 22, 1999

RECOMMENDATION: I RECOMMEND THE BOARD AUTHORIZE THE COUNTY ADMINISTRATOR TO ADJUST THE DOLLAR THRESHOLD FOR TANGIBLE PERSONAL PROPERTY IN ACCORDANCE WITH FLORIDA STATE STATUTE 274.02 FROM FIVE HUNDRED DOLLARS (\$500.00) TO SEVEN HUNDRED AND FIFTY DOLLARS (\$750.00).

IT IS FURTHER RECOMMENDED THE BOARD AUTHORIZE THE COUNTY ADMINISTRATOR TO ADJUST FUTURE COUNTY TANGIBLE PERSONAL PROPERTY THRESHOLD LIMITS TO CORRESPOND TO STATE STATUTE.

DISCUSSION: This request to raise the County's dollar threshold for tangible personal property (fixed assets) is made in accordance with section 274.02 of Florida State Statute which sets the threshold for inventorying, tagging and monitoring at seven hundred and fifty dollars (\$750.00). The increase of this threshold will create efficiency in the monitoring of fixed assets since less fixed assets will have to be tagged, inventoried and accounted for. Approximately fifteen percent (15%) of current fixed assets should be reduced by this threshold increase. County assets that fall below this threshold will be tracked and monitored by individual department's utilizing the Sequential Numbering System, which is maintained and supervised by the Property and Stores Division of the Purchasing Department.

Increasing the dollar threshold will also help reduce the burden of the transition of the Pinellas County Industrial Council (PCIC) under Board jurisdiction. The PCIC anticipates selling many of their fixed assets (currently approximately 17,500), but will still maintain approximately 3,300 fixed assets that require inventorying and monitoring by Purchasing staff at the present threshold of \$500.00.

The Director of Purchasing recommends approval and I concur.

CONTRACT REVIEW TRANSMITTAL SLIP

PROJECT: Adjustment of Threshold for Tangible Fixed Assets

BID/RFP NUMBER: _____ REQ. NUMBER _____

TYPE () Purchase Contract () Construction-Less than \$100,000
 () One Time (X) Other_____





(X) Other _____

In accordance with the policy guide for Contract Administration, the attached documents are submitted for your review and comment.

Upon completion of your review, please complete the Contract Review Transmittal Slip below and **forward to the next Review Authority on the list**. Please indicate suggested changes by revising, in RED, the appropriate section of the documents to reflect the exact wording of the desired change.

RISK MANAGEMENT Please enter required liability coverage on pages: _____

This is an annual/semi-annual requirement contract. Estimated Expenditure: \$ N/A

REVIEW SEQUENCE	REVIEW AUTHORITY	REVIEW DATE	REVIEW SIGNATURE	COMMENTS (Attach Separate page if necessary)	COMMENTS INCORPORATED						
1.	Purchasing Dept. (Originator)	6/14/99		—							
	_____ Using Dept.										
	_____ Using Dept.										
	_____ Using Dept.										
	Risk Mgmt.	6/14/99			<table border="1"> <tr> <td></td><td>HIGH RISK</td></tr> <tr> <td>X</td><td>NOT HIGH RISK</td></tr> <tr> <td></td><td>WRAP INS PROJECT</td></tr> </table>		HIGH RISK	X	NOT HIGH RISK		WRAP INS PROJECT
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	Finance	6/14/99									
	Legal	6/14/99									

All inquiries should be made to Joe Lauro, at Extension 44710

In order to meet the following schedule, please return your bid documents to Purchasing by June 16, 1999

Legal Ad-BID/RFP Mail Out

BID/RFP Opening

Board Approval

I:\USERS\WPDOCS\JOE\CONTRACT.WPD

JUN 1967
RECEIVED

Friday _____

Tuesday/Thursday _____

Tuesday _____

274.02 Record and inventory of certain property.--

(1) The word "property" as used in this section means fixtures and other tangible personal property of a nonconsumable nature the value of which is \$750 or more and the normal expected life of which is 1 year or more.

(2) Each item of property which it is practicable to identify by marking shall be marked in the manner required by the Auditor General. Each governmental unit shall maintain an adequate record of its property, which record shall contain such information as shall be required by the Auditor General. Each governmental unit shall take an inventory of its property in the custody of a custodian whenever there is a change in such custodian. A complete physical inventory of all property shall be taken annually, and the date inventoried shall be entered on the property record. The inventory shall be compared with the property record, and all discrepancies shall be traced and reconciled.

History.--s. 2, ch. 59-163; s. 8, ch. 69-82; s. 1, ch. 73-87; s. 5, ch. 82-104; s. 1, ch. 88-53; s. 5, ch. 96-209.

**Procurement
Property Control / Surplus**

PURCHASING FLASH BULLETIN NO. 218



**Joe Lauro, CPPO/CPPB
Director**

INTEROFFICE MEMO

To: All Departments Under The Jurisdiction of The County Administrator and All Other Agencies Using the Board of County Commissioner Purchasing Department to Monitor and Inventory Tangible Personal Property

From: Joe Lauro, Director

Subject: Threshold Increase for Tangible Personal Property (Fixed Assets)

Date: June 23, 2004

Effective July 1, 2004, the Tangible Personal Property (fixed asset) threshold has been increased to \$1000.00, from the previous threshold of \$750.00. This increase is in accordance with Florida State Statute 274.02.

The new threshold will mean that only assets greater than \$1000.00 will require tagging, monitoring and inventory accountability. There are currently 25,478 fixed assets valued at over \$177 million dollars being monitored and inventoried by the Purchasing Department. The new threshold increase to \$1000.00 will reduce the number of fixed assets by 3,508 valued at over \$3 million dollars.

The process currently in place for purchasing fixed assets remains. For fixed asset purchases below the \$2000.00 quote threshold, you cannot use a purchasing card as a method of payment. A purchase order must still be issued for fixed assets within this threshold. Fixed assets purchased over the \$2000.00 threshold will automatically be requisitioned and be followed by purchase order issuance.

If you have any questions about the new fixed asset threshold, or how to purchase fixed assets, please call me at extension 44710.

Thanks

cc: Mark Woodard, Assistant County Administrator
Claretha Harris, Chief Deputy Director, Finance Division

MEMORANDUM OF UNDERSTANDING

This document constitutes a Memorandum of Understanding (MOU) between Pinellas County Clerk of the Circuit Court and Pinellas County regarding responsibility for tangible personal property (property).

History

Pinellas County Board of County Commissioners (BCC) Purchasing Department has historically been responsible for inventory, control and reporting of property, maintaining a surplus warehouse and performing all functions related to surplus equipment and vehicle auctions. Due to budget reductions, these functions have been removed from Purchasing FY 08 budget.

August 2, 2007 Clerk of Circuit Court Finance Division, Clerk of Circuit Court Internal Audit Division, BCC Purchasing Department and BCC Facilities Management Department met and discussed the transfer of responsibilities for accounting and reporting of property, inventory and surplus activities.

August 9, 2007 Clerk of Circuit Court Finance Division, Clerk of the Circuit Court Internal Audit Division, BCC Purchasing Department, BCC Facilities Management Department and BCC Fleet Management Department met and finalized the plan for transfer of responsibilities for property activities (inventory, surplus, accounting and reporting).

Agency Roles and Responsibilities

The following responsibilities have been agreed to by the divisions/departments identified:

Clerk of the Circuit Court Finance Division will be responsible for property accounting and reporting. This would include final responsibility for reporting additions, transfers, and retirements of property. It also includes responsibility for asset tag issuance.

Clerk of the Circuit Court Internal Audit Division will be responsible for establishing physical inventory procedures, overseeing departmental annual inventory processes and conducting random test counts. Departments/Constitutional Officers will conduct their own annual inventory of County-owned property and forward a report on the results to the Director of Internal Audit.

BCC Facility Management will be responsible for accepting surplus property other than rolling stock (i.e., vehicles, trailers, etc.), preparing Board Agenda memo for property dispositions (surplus, traded-in, junked, cannibalized, lost/stolen, scrapped and the donation of surplus assets), and final disposition of those items.

BCC Fleet Management will be responsible for accepting surplus rolling stock and oversight of the sale of those items.

Responsibility for performing an annual physical inventory of all property will lie with the individual departments. Each department shall be responsible for preparation of Board documentation relating to the donation or acceptance of donated property.

Transition Plan

To effect the transition, the parties hereto approve the transition plan attached hereto and incorporated herein by reference as Exhibit A.

Effective Date

The parties have executed this Agreement effective as of October 1, 2007.

By: [Signature]

Print Name: Ken Burke

Title: Clerk of the Circuit Court

Dated: _____

By: [Signature]
ROBERT B. STEWART

Print Name: Ronnie M. Duncan

Title: Vice-Chairman of the Board of County Commissioners

Dated: 09/21/07

ATTEST: KEN BURKE, CLERK

By: [Signature]
Deputy Clerk

APPROVED AS TO FORM:

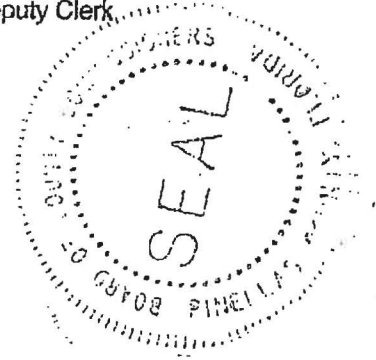
By

[Signature]
County Attorney

I, KENNETH P. BURKE, Clerk of the Circuit Court and Clerk Ex-Officio, Board of County Commissioners, do hereby certify that the above and foregoing is a true and correct copy of the original as it appears in the official files of the Board of County Commissioners of Pinellas County, Florida. Witness my hand and seal of said County FL this 26 day of September A.D. 20 07

KENNETH P. BURKE, Clerk of the Circuit Court Ex-Officio Clerk of the Board of County Commissioners, Pinellas County, Florida.

By: [Signature]
Deputy Clerk



TRANSITION PLAN Exhibit A

The purpose of this Transition Plan is to provide an orderly continuation of the property management program. The current procedures will not be changing at this time; this is a change to the department assuming responsibility. If procedures change, each individual department is responsible for notifying staff of such changes.

Transfer of Financial Accounting and Reporting Responsibilities

BCC Purchasing Department will update their Asset Tag Log to include all asset tags used, distributed but unused, and undistributed as of September 30, 2007. All undistributed asset tags and the updated Asset Tag Log will be given to the Clerk of the Circuit Court Finance Division.

BCC Purchasing Department will provide all financial records for the fiscal year 2006-2007 to the Clerk of the Circuit Court Finance Division. The BCC Purchasing Department will have all other financial records placed in storage and marked for disposal in accordance with records retention rules and regulations.

Transfer of Inventory Responsibility

BCC Purchasing Department will provide Clerk of the Circuit Court Internal Audit Division the departmental inventory tracking list and the most recent list of custodians.

Transfer of Surplus Inventory

BCC Purchasing Department will transfer inventory from the current surplus warehouse location to BCC Facility Management Department at the new surplus warehouse location. The two departments will verify the surplus inventory against the most current Asset Inventory Report. There must be documentation to support the location of any surplus asset on the Asset Inventory Report that is not at the surplus warehouse.

Transfer of Surplus Vehicles (Rolling Stock)

BCC Purchasing Department and BCC Fleet Management Department will confirm the accuracy of surplus rolling stock using the most current Asset Inventory Report. There must be documentation to support the location of any surplus rolling stock on the Asset Inventory Report that is not at the Fleet surplus location. BCC Purchasing Department will remove their padlock from the fenced surplus area; BCC Fleet Management Department will place a new padlock on the fence.

Update Information on Intranet

In cooperation with BCCIS, the "property control" information will be moved from the BCC Purchasing Department website and placed separately on the intranet. Forms will

first be updated by Clerk of the Circuit Court Finance Division. The "Custodian Procedure and Guideline Manual" will require input from all departments. As individual departments develop procedures for their area of responsibility, they will also be placed on the intranet.