

Guidelines for Maintaining a Fixed Assets Inventory

Fixed assets owned by a PEF Division are covered up to \$5,000 under the PEF insurance policy subject to a \$500 deductible. Permanent damage, loss, or the sale of a Division's fixed asset must be reported to PEF Division Finance via a letter signed by the Division Council members.

I. It is the responsibility of the Division Council to oversee all the fixed assets owned by the Division and to ensure their safekeeping, proper maintenance and use.

A. Prior to the purchase of a fixed asset, the Division Council should appoint a location where the item will be housed. This location should be easily accessible to the persons designated to use the item. The item should not be removed from this location without the approval of the Division Council.

B. A list indicating the persons eligible to use the item should be prepared and signed by all the Division Council members. This list should be given to the custodian of the asset and a copy should be retained in the Fixed Assets Inventory file. The custodian must be informed in writing by the Division Council of any additions and deletions on this list.

C. The Division Council should appoint a member of the Division to be directly responsible for the safekeeping and proper maintenance of the fixed asset (custodian of the asset). The location of the asset should be easily accessible to the custodian. Persons who wish to use the asset should first consult with its custodian.

1. Prior to undertaking responsibility for a Division's fixed asset, the appointed custodian should sign a letter clearly indicating his or her name, address, and the following information.

a. The date the item was placed under the custodian's care.

b. Identification of the item (ie. quantity, description, serial number).

c. If the item is to be housed beyond the confines of the Division's central or main location, a statement indicating the item will be returned to the Division Council in proper condition upon written request from the Division Council or the PEF Secretary Treasurer.

d. This letter should be submitted to PEF Division Finance and a copy should be retained in the Division's Fixed Assets file.

2. A request made by the Division Council for the return of a fixed asset or the transfer of a fixed asset to

another custodian must be made in writing and signed by a majority of the Division's Council or the PEF Secretary Treasurer.

3. If a custodian of an asset wishes to be relieved of the responsibility, he or she should write a letter to the Division Leader and forward a copy to the Division Treasurer and PEF Division Finance. Upon receipt of this letter, the Division Council must immediately repossess the fixed asset and appoint a new custodian under whose care the asset is to be placed.

II. A Division should conduct an inventory of its fixed assets at the end of the fiscal year.

A. The Treasurer should review all information pertaining to the Division's fixed assets and prepare and sign the Fixed Assets Inventory form.

B. The current inventory should begin with the prior year's inventory and account for all items plus any additional purchases since the last inventory. Any items disposed of during the past year should be deducted from the inventory.

C. The Division Council should review all receipts and bills pertaining to the purchase of the fixed assets.

D. The Division Council should ensure that the Division's fixed assets were placed under the care of custodians and letters of acknowledgment were obtained from the custodians.

E. The Division Leader should review all information pertaining to the Division's fixed assets and sign the Fixed Assets Inventory form.

F. Once the Fixed Assets Inventory form is reviewed and signed, the Treasurer should obtain copies of all receipts, letters of acknowledgment from the custodians, and the Fixed Assets form and place this information in the Fixed Assets Inventory file. The originals should be submitted to PEF Division Finance.

G. Divisions that do not own fixed assets should write "No Fixed Assets" on the fixed assets form. The form should be signed by the leader and treasurer and submitted. A copy should be retained in the division's fixed assets file.

III. A file containing information on the fixed assets owned by a Division should be prepared and maintained by the Division's Treasurer.

A. The Fixed Assets file should contain such information as:

1. Copies of all receipts pertaining to the purchases

of the fixed assets.

2. Copies of letters of acknowledgment from custodians under whose care the fixed assets were placed.

3. Letters regarding change of custodians.

4. Copies of all Fixed Asset forms completed and submitted by the Division.

5. All records pertaining to the disposal of any fixed asset that is sold, traded, given away, or junked.

6. Any other information deemed applicable to this file.

B. The Fixed Assets file should be update regularly (when a fixed asset is purchased by the Division).

C. The fixed assets file should be made available to the Division Council upon request form the Division Council.

D. Before a Treasurer leaves office, he or she must present the Fixed Assets file to the Division Council for review.

IV. Over time, fixed assets will become obsolete or ware out. It is sometimes more cost efficient to replace an item than to have it repaired. When this occurs, it will become necessary to dispose of the item or trade it in for a newer

model. Worthless items should not be carried in the books. They should be written off and properly disposed of.

A. The decision to dispose of an asset must be made by the Division Council or the Division's membership, depending on the cost of the item.

1. If the item is deemed to have no value, it may be junked. However, every effort should be made to sell or trade-in the item for the highest possible amount.

2. If the item is sold or given to a Division member or officer, he or she should not participate in the vote that will determine this.

B. These decisions must be made and recorded in the records of the Division under the same criterion (based on its dollar value when it was new) that governed the purchase of the asset being disposed. The decision must be discussed, voted on, and recorded in the Division's meeting minutes.

C. All records pertaining to the disposal of an asset should be filed in the Division's fixed assets file maintained by the Treasurer, and copies of these records should be sent to the Divisions Finance Office.

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