



County of Riverside
OFFICE OF THE AUDITOR-CONTROLLER
 STANDARD PRACTICE MANUAL

SECTION: 5		SUBJECT: ART & HISTORICAL TREASURES
POLICY NUMBER: 507		CATEGORY: CAPITAL ASSET POLICIES
REVISED DATE: 07/01/17	APPROVED BY: <i>Paul Angelo</i>	

PURPOSE: To establish standard guidelines for capital assets considered to be art or historical treasures.

SCOPE: Applies to County departments, agencies, special districts and authorities that are governed by Riverside County Board of Supervisors.

POLICY: Art and historical treasures should be recorded in accordance to Governmental Accounting Standard Board (GASB) 34.

PROCEDURE: Guidelines to be used for properly recording art or historical treasures is documented below.

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GENERAL INFORMATION:

In general any art or historical treasures should be recorded and capitalized at the historical cost of the capital asset or its fair market value (FMV) if it is donated to the County. The FMV should be calculated as of the date of the donation. Art or historical treasures can be capitalized as individual items or as a collection.

REQUIREMENTS:

Per GASB 34, The Auditor-Controller Office recommends that entities capitalize works of art, historical treasures, and similar items/collections valued at \$5,000 or more that are:

- A. Held for public exhibition, education, or research in furtherance of public service, rather than financial gain.
- B. Protected, kept unencumbered, cared for, and preserved.
- C. Subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

Items below \$5,000 should not be capitalized.

Any donations related to works of art and historical treasures in accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions should be recognized as revenues. When donated collection items are added to noncapitalized collections, governments should recognize a program expense equal to the amount of revenues recognized..

DEPRECIATION:

A work of art or treasure is considered *exhaustible* if its useful life is expected to be diminished over time. As such, the asset should be depreciated based on the estimated useful life.

A work of art or treasure is considered *inexhaustible* if its useful life is *not* expected to be diminished over time; as such, the asset should not be depreciated.

DEPARTMENT ROLES:

- 1) The department is responsible for creating and submitting SPM Form AM-5
- 2) Submit all supporting documentation to the ACO

AUDITOR-CONTROLLER’S ROLES:

- 1) Review and verify the documentation submitted.
- 2) File information for record management retention.

RECORDS MANAGEMENT ROLES:

The Auditor-Controller is the official Department of Record for all AM Forms and its supporting documentation that are submitted to us. The documentation is filed in accordance with the County’s General Records Retention policy which states to keep the current year plus the 7 past years.

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SECURITY ROLES:

In order to perform the functions discussed above the following roles must be requested:

Department:

Capital Asset Processor – this role will allow you to:

- Add capital/noncapital asset information
- Update certain capital asset information

Auditor Controller:

Asset Reviewer Auditor-Controller Only – this role will allow you to:

- Adjust, re-categorize, transfer, and dispose capital assets/noncapital asset information
- Review and process transactions
- Run capital and lease asset reports

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CAPITAL ASSETS FORM
Acquisition, Betterment & Capital Leases
 OFFICE OF THE AUDITOR-CONTROLLER
Complete and return to the Auditor-Controller's Office, Mail Stop #1050.

**SPM FORM
AM - 5**

"*" Indicates optional field **ASSET ID:** _____

DEPARTMENT		BUSINESS UNIT			
FUND	DEPT ID	PROGRAM *	CLASS *	BGT PER	PROJ/GRANT *
CATEGORY	ACCOUNT	COST			
BOOK	FINANCING CODE	LOCATION			
ACQUISITION DATE			IN SERVICE DATE		
VENDOR CODE:			VENDOR NAME		
MANUFACTURER		SERIAL NUMBER	MODEL		
ASSET DESCRIPTION:					
DEPRECIATION METHOD		USEFUL LIFE (in months)	SALVAGE AMOUNT		
PURCHASE AUTHORIZATION			VOUCHER		

For Betterments Only:	
BETTERMENT DESCRIPTION	
TOTAL BETTERMNT VALUE	

For Capital Leases Only:	
LEASE ID#	LIABILITY AMOUNT (PRIN)

ATTACH THE FOLLOWING AND CHECK THE BOX FOR EACH ATTACHMENT PROVIDED:

P.O. s, Property schedules, Amortization schedules, Financing agreements,

CAPITAL LEASE TEST.XLS

Prepared by: _____ **Phone:** _____

Date: _____ **Dept:** _____

Distribution: Department and Capital Asset Section of the ACO

Standard Practice Manual – AM-5

January 2006 (This form replaces GEN FORM 34)
 Capital Assets Form (pending approval)

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