



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:		12/1/24	APPROVED BY: <i>Ben J. Brait</i>	

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

SCOPE: Applies to County departments, agencies, special districts, and authorities that are governed by the 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 their supporting documentation that are submitted. 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 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 of capital asset information
- Review and process transactions
- Run capital and lease asset reports

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CAPITAL ASSETS FORM

Acquisition, Betterment & Leases

OFFICE OF THE AUDITOR-CONTROLLER
 Complete and return to the Auditor-Controller's Office, Mail Stop #1050.

SPM FORM
 AM-5
 (POLICY #504)

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

DEPARTMENT		BUSINESS UNIT		
FUND	DEPT ID	PROGRAM *	CLASS *	PROJ/GRANT *
CATEGORY	ACCOUNT	COST	Notes	
Select				
BOOK	FINANCING CODE	LOCATION	Require County issued tag?	
Select			<input type="checkbox"/> Yes <input type="checkbox"/> No	
ACQUISITION DATE		IN SERVICE DATE		
VENDOR CODE:		VENDOR NAME		
MANUFACTURER	SERIAL NUMBER	MODEL		
ASSET DESCRIPTION:				
DEPRECIATION METHOD		USEFUL LIFE (in months)	SALVAGE AMOUNT	
Straight Line				
PURCHASE AUTHORIZATION		VOUCHER		

For Betterments Only:	
BETTERMENT DESCRIPTION	_____
TOTAL BETTERMENT VALUE	_____

For Financed Purchases Only:	
LEASE ID#	LIABILITY AMOUNT (PRINT)
_____	_____

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

P.O. s Property schedules Amortization schedules Financing agreements

Prepared by: _____ Phone: _____

Date: _____ Dept: _____

Auditor-Controller's Use

System Updated By:	Initials	Date
_____	_____	_____

June 2024

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