

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL COMPLIANCE REPORT

OF

MONROE COUNTY, INDIANA

January 1, 2018 to December 31, 2018



FILED
09/11/2019

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
County Auditor:	
Federal Finding:	
Finding 2018-001	
Preparation of the Schedule of Expenditures of Federal Awards	6-8
Corrective Action Plan	9-10
Audit Result and Comment:	
Capital Assets	11
Official Response.....	12-20
Exit Conference	21

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Catherine C. Smith	01-01-17 to 12-31-20
County Treasurer	Jessica McClellan	01-01-17 to 12-31-20
Clerk of the Circuit Court	Nicole Browne	01-01-15 to 12-31-22
County Sheriff	Brad Swain	01-01-15 to 12-31-22
County Recorder	Eric Schmitz	01-01-15 to 12-31-22
President of the Board of County Commissioners	Amanda Barge Julie Thomas	01-01-18 to 12-31-18 01-01-19 to 12-31-19
President of the County Council	Shellie Yoder	01-01-18 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF MONROE COUNTY, INDIANA

This report is supplemental to our audit report of Monroe County (County), for the period from January 1, 2018 to December 31, 2018. It has been provided as a separate report so that the reader may easily identify any Federal Findings and Audit Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the County, which provides our opinions on the County's financial statement and federal program compliance. This report may be found at www.in.gov/sboa/

The Federal Finding, identified in the above referenced audit report, is included in this report and should be viewed in conjunction with the Audit Result and Comment as described below.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Corrective Action Plan for the Federal Finding and Official Response to the Audit Result and Comment, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

August 12, 2019

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COUNTY AUDITOR
MONROE COUNTY

COUNTY AUDITOR
MONROE COUNTY
FEDERAL FINDING

FINDING 2018-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat of finding from the immediately prior audit. The prior audit finding number was 2017-001.

Condition and Context

The County did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). An employee in the County Auditor's office entered and submitted federal award information into the Indiana Gateway for Government Units financial reporting system, which was the source for the County's SEFA. Although there was evidence of a control, oversight, review, or approval process, errors and omissions remained undetected or corrected.

The SEFA contained the following errors:

1. One nonfederal grant was incorrectly included on the SEFA, resulting in an overstatement of expenditures in the amount of \$219,491.
2. Six grants were incorrectly reported, resulting in an overstatement of expenditures in the amount of \$110,752.
3. Three grants were omitted from the SEFA, resulting in an understatement of expenditures in the amount of \$132,796.
4. One grant was reported under an incorrect CFDA number.
5. Two direct grants were incorrectly reported as having been passed through a state agency.
6. The program names of six grants were incorrect on the SEFA.

The net amount of errors resulted in an overstatement of federal expenditures in the amount of \$197,447.

Audit adjustments were proposed, accepted by the County, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

COUNTY AUDITOR
MONROE COUNTY
FEDERAL FINDING
(Continued)

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

- (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with section 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.

COUNTY AUDITOR
MONROE COUNTY
FEDERAL FINDING
(Continued)

- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in section 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in section 200.414 Indirect (F&A) costs."

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition and Context*.

Recommendation

We recommended that the County's management establish controls related to the preparation of the SEFA.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.



CATHERINE C. SMITH
Monroe County Auditor

Courthouse, Room 209
100 West Kirkwood Avenue
Bloomington, IN 47404
Office (812) 349-2510
Fax (812) 349-2280

July 30, 2019

AUDITOR'S CORRECTIVE ACTION PLAN
(Submitted for Audit Year 2018)

FINDING 2018-001 Subject: Preparation of the Schedule of Expenditures of Federal Awards

Contact Person Responsible for Corrective Action: Catherine Smith, Monroe County Auditor
Contact Phone Number: 812.349.2515 (Direct Line) / 812.360.2338 (Cell Number)

View of Responsible Official:

We concur with the Repeat Finding of Material Weakness and Noncompliance in the Preparation of the Schedule of Expenditures of Federal Awards. Monroe County continues to be diligent and deliberate in our efforts to review, process and accurately report each and every Federal Award completely on this important document.

Beginning in January 2018, grants have been tracked using an in-house designed database. This database tracks only Monroe County grants and awards, including all Federal, State and those which are locally funded. This spreadsheet and its information is used to populate reporting fields on the SEFA. Our collective disconnect seems to be that as the county receives awards and grant money, there is sometimes confusion with categorizing the detailed information, in general.

An example would be discerning if the grant is a direct award from the grantor or is Monroe County receiving funds from a pass-through entity. Confusion discerning the root of the funding complicates our ability to correctly categorize the grants of the SEFA, resulting in overstating or understating receipts and expenditures. Understanding the CFDA number and how it merges into our funds and how it is reported on the SEFA is paramount to correctly reporting the exact picture of our grant position. The funds which are similar in nature or match funds, sometimes are simply being grouped incorrectly and subsequently misreported on the SEFA on more than one line.

Description of Corrective Action Plan:

Our department will develop a one-page summary of each SEFA reportable grant/award. The SEFA report requirements will be summarized on this document. Our department will continue to work closely with the awarded Departments, County Commissioners and the County Attorneys to correctly identify all reportable SEFA attributes. The Federal Grants Management Guidelines will be used to identify SEFA requirements.

Anticipated completion date: 31 December 2019

Respectfully submitted,

Catherine Smith

Monroe County Auditor

July 30, 2019

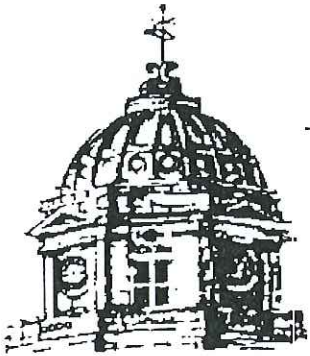
COUNTY AUDITOR
MONROE COUNTY
AUDIT RESULT AND COMMENT

CAPITAL ASSETS

The same comment also appeared in prior Reports B47406, B49223, and B51794.

The County had not properly maintained a complete inventory of capital assets. The capital asset records were not updated for additions and deletions for 2018.

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)



CATHERINE C. SMITH
Monroe County Auditor

Courthouse, Room 209
100 West Kirkwood Avenue
Bloomington, IN 47404
Office (812) 349-2510
Fax (812) 349-2280

Wednesday, August 14, 2019

State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, Indiana 46204-2765

RE: OFFICIAL RESPONSE – Capital Assets Comment (SBOA Audit for period of 1.1.18 – 12.31.18)

Dear State Board of Accounts:

Monroe County (the 'County') recognizes non-compliance to the Accounting and Uniform Compliance Manual for County Auditors of Indiana established under Indiana Code 5-11-1-24 and 5-11-1-27, regarding capital assets. This non-compliance was incited by a division between individual departments within the unit, causing the County's Capital Asset List to be incomplete and unsubstantiated.

To remedy this non-compliance, the County created a new role, 'Internal Auditor,' to bridge the gap, and assist with the correction. The Internal Auditor worked with the newly established Internal Control Oversight Committee to create a Risk Management Policy (the 'Policy') for the County. The Policy was approved by Monroe County Commissioners on August 7, 2019. The Policy details what is actually considered an asset in the County, and provides a threshold for all assets.

With the Policy in place, the departments within the unit now have guidelines to aid with reporting their assets to the County. The County is currently working on compiling its Capital Assets list by verifying what assets each department has in their possession. Once the list is complete, a physical inventory will be conducted every two (2) years as required by the Accounting and Uniform Compliance Manual for Auditors of Indiana.

Sincerely,

Brianne M. Gregory, Internal Auditor

Monroe County Auditor's Office
100 W. Kirkwood Ave., Room 209
Bloomington, Indiana 47404
812.349.5024

MONROE COUNTY GOVERNMENT
Monroe County, Indiana
Risk Management Policy

I. PURPOSE

This Risk Management Policy will become effective on this 7th day of August, 2019. The purpose of this policy is to facilitate the preparation of financial statements in conformity with generally accepted accounting principles. Additionally, as part of our system of checks and balances, this policy will contribute to helping Monroe County Government achieve its objectives of transparency, fiscal responsibility and accountability, and continually striving for public trust and confidence.

II. CAPITAL ASSETS:

- Real and personal property owned by Monroe County Government.
- Have useful lives extending beyond a single reporting period (one year).
- Are depreciated using the straight-line method with no allowance for salvage value.
- Have nine (9) classifications described by SBOA.

A. CLASSIFICATIONS:

1. **Land.** All land, including right of ways, is capitalized at the time of acquisition regardless of historical costs or fair value, if donated. Land records must include the following information:
 - Location;
 - Acreage;
 - Acquisition date; and
 - Purchase price. (If purchase price is not available the assessed, appraised, or fair market value may be used.)
2. **General Infrastructure.** Examples of infrastructure include: roads, bridges, tunnels, drainage systems, storm water systems, dams, or lighting systems. General Infrastructure records must include the following information:
 - Description;
 - Location; and
 - Cost.
3. **Buildings.** Building records must include the following information:
 - Location;
 - Purchase price; or
 - Construction cost and cost of improvements; or
 - If building is a gift, the appraised value at time of acquisition.
4. **Improvements Other Than Buildings.** This category is defined as permanent improvements, other than buildings, that add value to land. Examples include: fences, retaining walls, sidewalks, gutters, and parking lots. Records of Improvements Other Than Buildings must include:
 - Location;

- Cost; or
 - Acquisition value.
5. **Machinery and Equipment.** Defined as tangible property of a permanent nature, (other than land, buildings, improvements, and vehicles) having a useful life of more than one (1) year. Examples include: machinery, software, commercial kitchen equipment, medical equipment, metal detectors, etc.
 - **Per unit** cost must be equal, or more than the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000.
 - Purchase cost must be included.
 6. **Vehicles.** This category includes automobiles, light trucks, heavy trucks, buses, and boats, having a useful life of more than one (1) year. Records must include:
 - Purchase cost; or
 - If the vehicle is a gift, fair market value at time of acquisition.
 7. **Construction in Progress.** Construction in Progress is defined as construction work that has begun but has not been completed in the current reporting fiscal year.
 - Will be reported at the rate of the total project estimate.
 - Upon completion of the project, this asset must be moved into the proper category, and any necessary adjustment to project cost will be made at this time.
 8. **Books and Other.** This category may include a collection of books, periodicals, archives, CD's, etc. This section can also be used for any other types of assets not listed.
 9. **Federal Items Purchased through a Federal Grant.** All items purchased with federal grant money must be reported as a capital asset if the item meets or exceeds the statutory threshold of Five Thousand Dollars (\$5,000.00). Items purchased with federal grant money will be categorized separately from other like items that were not purchased with federal grant money.

B. CAPITALIZATION THRESHOLDS

Capital Assets must be included in the list if they have an original purchase cost or value equal or greater than the amount below. Assets will remain on the capital asset list and part of the property record until they are retired, disposed of, sold, or traded in, regardless of the depreciated value.

The capitalization threshold for the following classes of assets shall be:

1. Land	\$ 0
2. General Infrastructure	\$ 0
3. Buildings	\$ 0
4. Improvements other than Buildings	\$ 100,000.00
5. Machinery and Equipment	\$ 5,000.00
6. Vehicles	\$ 75,000.00
7. Construction in Progress	\$ 50,000.00
8. Books and Other	\$ 20,000.00
9. Federal Items Purchased through a Federal Grant	\$ 5,000.00

C. IMPROVEMENTS TO BUILDINGS AND GENERAL INFRASTRUCTURE

To increase the value of buildings or infrastructure assets, improvements must do one (1) of the following:

1. **Increase capacity** – Increases the level of service provided by the asset. Examples include: an addition to a building providing increased square footage, hence, the capacity is increased and the capital outlay is capitalized; and widening a road with additional lanes to increase capacity and, hence, the capital outlay is capitalized;
2. **Increase efficiency** – Increased efficiency changes the level of service or output without increasing the size of an asset; or level of service is maintained but at a lower cost; and/or
3. **Extend the asset's estimated useful life beyond the original expectation** – extending the useful beyond the original expectation involves a significant alteration, structural change, or improvement.

While substantial repairs and renovations will be reviewed for potential capitalization, it is anticipated that most will be expensed in the current year. These expenses often merely restore the asset to the original service potential but do not necessarily improve the asset.

D. HISTORICAL COST OR ESTIMATED HISTORICAL COSTS

1. **PROSPECTIVE (likely to happen at a future date) REPORTING.** These services generally relate to the development of, presentation of, and reporting on prospective financial information, and provide either a report to a regulator, or a report to other parties prepared under the regulations provided by the regulator.

Capital assets are recorded at historical cost which includes any extra charges necessary to place the asset into its intended location, and condition for use. Cost of form, fit, and function should be considered. For example:

- Freight and transportation charges for machinery;
- Site preparation costs and professional fees for a building;
- Engineering costs (internal and external) including related preliminary project and environmental studies for a road;
- Project estimating, design, and planning (drawings and specifications);
- Construction engineering, construction management, construction inspection and project payment; and,
- Donated capital assets are recorded at their estimated fair value at the time of acquisition.

2. RETROACTIVE REPORTING AT TRANSITION OF GASB STATEMENT NO 34

When actual historical cost source data is unavailable, estimate cost using:

- Historical Cost (purchase or construction cost);
- A 'Going Price' **at the time of acquisition; or**
- A Consumer Price Index calculation. To estimate the cost of an asset item using a Consumer Price Index calculation (including Consumer Price Index and Federal Highway Price Trends), the estimator must first find the cost of the asset as if it were new today. The estimator would then find the corresponding estimated date of acquisition/construction on the appropriate schedule which will 'deflate' the replacement cost to an estimated historical cost. The Table of Cost Indexes schedule may be found in the State Board of Accounts (SBOA) County Bulletin from June 2018 (volume 409, page 7). <https://www.in.gov/sboa/files/2018%20June.pdf>

E. ESTIMATED USEFUL LIVES OF DEPRECIABLE ASSETS

Capital Assets (defined):

- Have estimated useful lives extending beyond a single reporting period (one year); and
- Are depreciated using the straight-line method with no allowance for salvage value.

The estimated useful life values were developed with the input of knowledgeable staff and reflect our government's experience with these assets:

• Land and Improvements to Land	non-depreciable
• Buildings and Building Improvements	50 years
• Machinery and Equipment	5 years
• Vehicles:	
- Autos	5 years
- Light Trucks	8 years
- Heavy Trucks	15 years
• General Infrastructure:	
- Roads	50 years
- Bridges	75 years
• Playground Equipment	10 years
• Outdoor Lighting	10 years
• Software	5 years

F. DEPRECIATION METHOD/CONVENTION

Depreciation will be calculated using the straight-line method and full-year convention. No salvage value or residual value will be recognized.

G. RESPONSIBILITY FOR PROPERTY RECORD MAINTENANCE

The Monroe County Auditor will ensure that reporting for capital assets is exercised by establishing a fixed capital asset inventory, both initially and at a minimum, annually. The Monroe County Auditor will further ensure that the capital asset report will be updated annually to reflect:

- Improvements;
- Additions;
- Retirements;
- Transfer between departments;
- Annual capital asset balance for financial reporting purposes; and
- Annual and accumulated depreciation calculations and net book value amounts.

The individual department utilizing physical property owned by Monroe County has the expressed responsibility to maintain day-to-day stewardship of the property.

All departments have the responsibility to report capital asset improvements, additions, retirements, and transfers in detail to the Monroe County Auditor. This shall be reported to the Auditor **within a week of the purchase and BEFORE retirement** of the capital asset.

The County Auditor must verify additions of capital assets via the claims process to purchase the property. Transfers and retirements of assets at or above the threshold are to be reported by the departments to the County Auditor using the attached Asset and Inventory Retirement Form.

III. INVENTORY POLICY

A. INVENTORY (defined):

- Capital purchases (4000 line items) **not meeting the minimum capitalization criteria set forth in the Capital Asset** section of the Monroe County Risk Management Policy but that meet the criteria in the Inventory Policy are considered inventory items.
- Personal property owned by Monroe County Government.
- Physical items having useful lives extending beyond a single reporting period (one year).

B. CLASSIFICATIONS:

1. **Machinery, Furniture, and Equipment.** Defined as tangible property of a permanent nature, (other than land, buildings, improvements, and vehicles) having a useful life of more than one (1) year. Examples include: machinery, furniture, office equipment including but not limited to computers and data processing equipment, and desks, safes, cabinets, cellphones, etc.
 - **Per unit** cost must be equal, or more than the threshold listed for this category but less than the capitalization criteria.
 - Purchase cost must be included.
2. **Vehicles.** This category includes automobiles, light trucks, heavy trucks, busses, and boats, having a useful life of more than one (1) year. Records must include:
 - Purchase cost; or
 - If a gift, fair market value at time of acquisition.
3. **Books and Other.** This category may include a collection of books, periodicals, archives, CD's, etc. This section can also be used for any other types of assets not listed.
4. **Federal Items Purchased through a Federal Grant.** Any items purchased with federal grant money for \$5,000.00 or less must be maintained as inventory. Items purchased by Federal funds cannot be disposed of without the approval of the awarding agency UNLESS the item(s) was/were clearly stated as exempt within the award.

C. INVENTORY THRESHOLDS

Inventory items must be included on the inventory list if they have an original purchase cost or value equal or greater than the amount below. Inventory items will remain on the inventory list and part of the property record until they are retired, disposed of, sold, or traded in.

The threshold for the following classes of inventory items shall be:

1. Machinery, Furniture, and Equipment	\$ 200.00 – \$ 4,999.99
2. Vehicles	\$ 200.00 – \$ 74,999.99
3. Books and Other	\$ 200.00 – \$ 19,999.99
4. Federal Items Purchased through a Federal Grant (Not meeting the \$5,000.00 threshold for capital assets)	less than \$5,000.00

D. DEPARTMENT LEVEL RESPONSIBILITY FOR PROPERTY CONTROL

Capital assets that do not meet the capitalization criteria listed in this policy but warranting ‘control’ may meet the criteria of the Monroe County Inventory Policy. Should the item(s) in question not meet the threshold for *either* policy but still warrant control, the item(s) shall be inventoried at the department level, and an appropriate list be maintained. Monroe County Government strongly encourages individual County Departments to create their own Inventory Policy and Inventory List for items that do not meet the criteria of the County Capital Asset Policy or County Inventory Policy that may be ‘sensitive.’ Department Policies should be reviewed and approved by their governing board and/or the Monroe County Commissioners.

Assets below the capitalization threshold and not on the county inventory list but considered *sensitive* may include:

- Postage Stamps;
- Batteries;
- Electronic office equipment such as clocks, calculators, label makers;
- Currency counters, check scanners, credit card readers;
- Sports equipment;
- Clothing, Footwear; and
- Refrigerators, microwaves, water coolers.

Stewardship of these minimum but sensitive items is the express responsibility of the departments utilizing these properties; however, the Monroe County Auditor shall have the right to request copies of the inventory and/or updated inventory of controllable items so as to periodically review the information, and adherence to department policy where applicable.

E. RESPONSIBILITY FOR PROPERTY RECORD MAINTENANCE

The Monroe County Commissioner’s Office will ensure that tracking of inventory is exercised by using an inventory software program, and will conduct a physical inventory. Post initial inventory, individual departments will be required to submit a yearly inventory for by December 15th, of each year. The Monroe County Commissioner’s Office will further ensure that the Monroe County inventory software will be updated annually to reflect:

- Improvements;
- Additions;
- Retirements; and
- Transfer between departments.

The individual department utilizing physical property owned by Monroe County has the expressed responsibility to maintain day-to-day stewardship of the property.

All departments have the responsibility to report inventory additions, retirements, and transfers in detail to the Monroe County Commissioner’s Office. This shall be reported to the

Commissioner's Office **within a week of the purchase and BEFORE** retirement of the inventory item.

IV. RETIREMENTS AND DISPOSAL OF INVENTORY (Sale, Disposal, Surplus, or Relocation)

A capital asset or inventory item may be considered for retirement for any of the following reasons (the list is not all inclusive):

- Obsolete;
- Lost or Stolen;
- Public Safety Hazard;
- No longer usable for intended purpose; and/or
- Item is changing location – item will remain a county asset but location change must be recorded.

When an item becomes obsolete or no longer usable for its intended purpose, the department will follow the FIXED CAPITAL ASSET and INVENTORY ITEM RETIREMENT PROCEDURE (P:\County Forms & Info\Asset and Inventory Information) including completing the Fixed Capital Asset and Inventory Item Retirement Form (P:\County Forms & Info\Asset and Inventory Information), obtaining the necessary approval and/or documentation **before facilitating sale, disposal, or relocation** of any county asset or inventory item. The Technical Service Department, Maintenance Department, or Highway Department will facilitate the sale, disposal, surplus, or relocation of any asset or inventory item **AFTER** the appropriate steps have been followed and approval received, as outlined in the procedure (link above). The Fixed Capital Asset and Inventory Retirement Procedure incorporates Indiana Code 5-22-22 into Monroe County's retirement procedure (link above); however, please review the statute or contact Monroe County Legal with questions. This section of code is summarized as follows:

No item (Chair, Table, Vehicle, Desks, Bookcases, Tools, Appliances, Technical Equipment) may be disposed, destroyed or placed for surplus without the following:

- A. *Determination of item(s) value.*
 1. *If 1 item = \$1,000 or more; OR*
 2. *If more than one item total value = \$5,000 or more*
 - a. **MUST be sold at a public sale or by sealed bids and advertised as per IC 5-3-1**
- B. *IF VALUE is LESS than \$1,000 or combined value less than \$5,000*
 1. *Resolution required attesting to the "less than" value is required and then:*
 - a. *May be sold at public or private sale or transfer of property without advertising.*
- C. *If items value is less than the sale and cost to transport, the item is deemed worthless and may be destroyed/disposed.*

Technical Service Department (TSD) Equipment will be disposed using one of the types of disposal methods mentioned above. The TSD Director will facilitate this disposal rather than Maintenance, or Highway. TSD will follow the FIXED CAPITAL ASSET and INVENTORY ITEM RETIREMENT PROCEDURE, including completing the necessary form, and obtaining the necessary approval before facilitating retirement of any county asset.

Retirements apply to all capital assets and inventory items including but not limited to: land, buildings, machinery and equipment, vehicles, and general infrastructure.

Retirements apply to all capital assets and inventory items including but not limited to: land, buildings, machinery and equipment, vehicles, and general infrastructure.

- When an asset is retired, for any reason, it is to be removed from the property record and the appropriate reduction will be made to reflect the retirement.

It is in the county's best interest that a county employee not take ownership of, or personally profit from the disposal of an inventory or asset item. Therefore, no employee has singular authority to dispose of asset or inventory items without the proper approvals. It is also the county's policy that employees are prohibited from purchasing county inventory or asset items that are disposed, unless public auction is held.

***Please see the Fixed Capital Asset and Inventory Item Retirement Procedure for further information on the retirement and surplus or sale of property process, and complete the accompanying form necessary for retirement of county assets or inventory items.**

LOST OR STOLEN CAPITAL ASSET OR INVENTORY ITEM

Items must be reported to the Auditor's Office, County Legal, and the Commissioner's Office.

Actions will include:

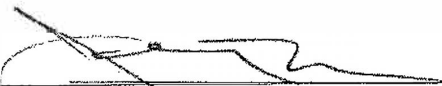
- Physical inventory of department;
- Theft and Loss report;
- Removal of asset or inventory item from the county's list; and,
- Possible report to law enforcement agency, determined by Commissioner's Office, County Legal, and the Auditor's Office.

Monroe County Government Risk Management Policy approved this 7 day of August 2019, by the Board of Commissioners of Monroe County, Indiana.


Monroe County Board of Commissioners

"AYES"

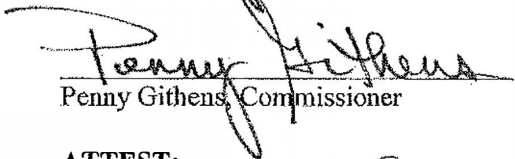
"NAYS"


Julie Thomas, President

Julie Thomas, President


Lee Jones, Vice-President

Lee Jones, Vice-President


Penny Githens, Commissioner

Penny Githens, Commissioner

ATTEST:


Catherine Smith, Auditor

COUNTY AUDITOR
MONROE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 12, 2019, with Catherine C. Smith, County Auditor; Lorie Robinson, First Financial Director; Brianne Gregory, Internal Auditor; Jessica McClellan, County Treasurer; Julie Thomas, President of the Board of County Commissioners; Angie Purdie, Board of County Commissioners' Administrator; Margie Rice, County Attorney; Shelli Yoder, President of the County Council; and Trent Deckard, County Council member.