I. PURPOSE

The purpose of this policy is to establish requirements for the acquisition and monitoring of fixed assets.

II. PERSONS AFFECTED

All District Personnel.

III. DEFINITIONS

“Fixed Asset” means all tangible, nonexpendable property that has a useful life of more than one year and an acquisition cost that exceeds $5,000 per unit. This includes rolling stock, equipment and all other property used in the provision of public transit service.

IV. POLICY

A. Planning Process for Fixed Asset Acquisition

1. The fixed asset needs of the District should be identified through the Short Range Transit Plan (SRTP) which identifies the basic equipment replacement needs of the District as well as defining future equipment needed to implement the service plan defined in the SRTP.

2. A more detailed approach to District and grant funded short-term equipment needs is defined in the Capital Improvement Plan phase of the annual budget development process.

3. Unanticipated fixed asset needs that arise during the fiscal year are addressed on a case by case basis by the Chief Financial Officer and the General Manager.

The last method is primarily for use in District purchased fixed assets or in response to emergency requirements (to be determined by the General Manager and/or Chief Financial Officer.)

B. Purchasing Process

1. Fixed Assets shall be procured in accordance with Board Policy 465 – Procurement Policy.
C. Monitoring Fixed Assets

1. The District’s PeopleSoft Asset Management System Subsidiary Ledger is designed to serve as the District’s Official Fixed Asset System of record. It is charged with meeting all of the record requirements of Federal Transit Administration (FTA) Circular 5010.1D, as well as successor and related circulars.

2. A physical inventory of the District’s Fixed Assets will be conducted every two years in compliance with FTA regulations.

D. Inter-departmental Transfers/Dispositions of Fixed Assets

1. All inter-departmental transfers of fixed asset items with a District Fixed Asset Tag and/or a value of $5,000 or greater, must be reported on a Fixed Asset Transfer Form available from the AC Transit Stores Department.

2. For disposition of fixed assets, please refer to Board Policy 461 – Disposition of Surplus Equipment, Supplies, and Other Tangible Property of the District.

V. AUTHORITY

A. Board Authority

1. The Board of Directors authorizes the acquisition of fixed assets through the procurement process in accordance with Board Policy 465.

Questions concerning interpretation of this Policy are to be referred to the General Counsel.