

## **PROPERTY IDENTIFICATION**

**2820**

(February 2016)

CAL FIRE offices are responsible to account for property by tagging, recording and inventorying. These accounting procedures are designed to maintain uniform accountability for property and reporting purposes. Generally, property refers to all assets used in governmental operations. Property includes infrastructure, land, buildings, improvements, machinery, furniture, tools, and intangibles.

## **CAPITAL ASSETS**

**2820.1**

(February 2016)

State property is capitalized for accounting purposes when certain conditions are met. Capitalization means to record the property in an accounting ledger as an asset. Tangible and intangible property must meet the following three requirements in order to be capitalized. Refer to SAM, Sections 8602 and 8614.

1. Property that has an expected useful life of at least one year.
2. Property that has an original acquisition cost of \$5,000 per item. (Cost of property includes the purchase price plus all the costs to acquire, install, and prepare equipment for its intended use. Maintenance costs are not included.)
3. Property that is used to conduct state business.

[http://www.documents.dgs.ca.gov/sam/SamPrint/new/sam\\_master/rev428/chap8600/8602.pdf](http://www.documents.dgs.ca.gov/sam/SamPrint/new/sam_master/rev428/chap8600/8602.pdf)

[http://www.documents.dgs.ca.gov/sam/SamPrint/new/sam\\_master/rev428/chap8600/8614.pdf](http://www.documents.dgs.ca.gov/sam/SamPrint/new/sam_master/rev428/chap8600/8614.pdf)

## **TANGIBLE PROPERTY**

**2820.2**

(February 2016)

Tangible assets refer to property that can be seen or touched, having real substance, i.e. equipment (computers, servers, furniture, machinery, tools, etc.). The total cost of a tangible asset includes the purchase price plus all the costs to acquire, install and prepare the equipment for its intended use. Maintenance costs are not included. The Department requires tangible property, with an acquisition cost of over \$5000 or deemed sensitive according to the definition in section 2820.4 of this handbook, to be tagged and recorded in the internal Inventory Tracking System.

Some property does not require a property decal tag; e.g., badges, weapons, cellphones, vehicles, credit cards, ID cards, etc. The recording of a serial number or another type of identification number associated with the particular property will be sufficient.

(February 2016)

Intangible property is an asset that possesses ALL of the following characteristics:

1. Lacks physical substance. It may be contained in or on an item with physical substance (i.e., software stored on a compact disc), or it may be closely associated with another item that has physical substance.
2. Is nonfinancial in nature (not in a monetary form similar to cash and investment securities, and it represents neither a claim nor right to assets in a monetary form similar to receivables, nor a prepayment for goods and services).
3. Is identifiable. An intangible asset is considered identifiable when either of the following conditions are met:
  - The asset is separable, that is the asset is capable of being separated or divided from the Department and sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, asset, or liability; or
  - The asset arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Department or from other rights and obligations. Refer to SAM, Section 8615.

[http://www.documents.dgs.ca.gov/sam/SamPrint/new/sam\\_master/rev428/chap8600/8615.pdf](http://www.documents.dgs.ca.gov/sam/SamPrint/new/sam_master/rev428/chap8600/8615.pdf)

Intangible property may be considered a capital asset. Examples of intangible property include patents, copyrights, trademarks, easements, land use, and computer software, including websites. The Department requires intangible property, with an acquisition value of over \$5000 or deemed to be sensitive according to the definition in section 2820.4 of this handbook, to be tagged and recorded in the internal Inventory Tracking System.

Tagging Intangible Property: Intangible property shall be assigned a property decal number from the CAL FIRE office's own stock of tags. Once assigned, the corresponding decal tag shall be discarded so that it is not reassigned or attached to another piece of property. Record the intangible property with the assigned property decal number in the internal Inventory Tracking System. If you are able to attach a property decal tag then do so.

## **SENSITIVE PROPERTY**

**2820.4**

(February 2016)

Regardless of value, CAL FIRE units and programs must maintain adequate control over sensitive and high-risk items that are prone to theft, loss, misuse, and may contain sensitive data. Sensitive equipment will be tracked for its entire life cycle (from time of purchase to disposal). A property decal tag must be attached, if applicable, and entered into the internal Inventory Tracking System.

Examples of sensitive equipment include, but are not limited to:

- Badges – Please see section 2850.1.1 for tracking procedures
- Other Sensitive Items - Please see section 2850.1.2 for tracking procedures
- IT – Please see section 2850.2 for tracking procedures
- Firearms - Please see section 2850.3 for tracking procedures
- Telecommunications – Please see section 2850.5 for tracking procedures

Units and programs will need to make their own determination if additional items should be designated and tracked as sensitive and high-risk items. Refer to SAM, Section 8603.

[http://www.documents.dgs.ca.gov/sam/SamPrint/new/sam\\_master/rev428/chap8600/8603.pdf](http://www.documents.dgs.ca.gov/sam/SamPrint/new/sam_master/rev428/chap8600/8603.pdf)

If a property tag cannot be attached, property shall be assigned a property decal number from the CAL FIRE office's own stock of tags. Once assigned, the corresponding decal tag shall be discarded so that it is not reassigned or attached to another piece of property. Record the sensitive property with the *assigned* property decal number in the internal Inventory Tracking System.

## **NON-INVENTORY PROPERTY**

**2820.5**

(February 2016)

Non-inventory property is property that is less than \$5000, or is not considered sensitive property, therefore rendering the recording of the property unnecessary. However, it is up to each individual office to determine if accounting, tagging, and monitoring this type of property is warranted. If an office determines a property tag is needed on this type of property, then the property must be recorded and monitored in an internal Inventory Tracking System.

[http://www.documents.dgs.ca.gov/sam/SamPrint/new/sam\\_master/rev428/chap8600/8603.pdf](http://www.documents.dgs.ca.gov/sam/SamPrint/new/sam_master/rev428/chap8600/8603.pdf)

Examples include, but are not limited to:

- Furnishings (filing cabinets, chairs, desks, tables, bookshelves), transcriber/recorders, general office equipment, landline telephones, computer speakers, monitor stands, keyboards, mice.

## **EXPENDABLE PROPERTY (CONSUMABLE)**

**2820.6**

(February 2016)

Consumables are items that normally would be used up within a year, items that last for only one or two applications, or items converted by fabrication. The property does not require a property tag or need to be entered into an internal Inventory Tracking System. A consumable is an item that is depleted with normal use (e.g., tires, motor oil, batteries, gloves, textiles, nuts and bolts, nomex, hoses, fire gear, paper products, and general office supplies).

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