

**CALHOUN COUNTY
BOARD OF COMMISSIONERS
POLICY STATEMENT**

SUBJECT: CAPITAL IMPROVEMENT PROGRAM	DATE APPROVED: 6/2/2022	EFFECTIVE: Immediately	POLICY NO. 277
	REPLACES: Policy 277 of 5/20/2010		

- I. **PURPOSE:** To provide a policy and procedures for the development and approval of the County seven (7) year plan for Capital Improvements, known as the Capital Improvement Program and to govern the purchasing, accounting, and inventory of capital assets.
- II. **AUTHORITY:** The Calhoun County Board of Commissioners.
- III. **RESPONSIBILITY:** The Office of the Administrator/Controller, as the County’s Chief Financial Officer, shall be responsible for the implementation and administration of this policy. This policy applies to all Calhoun County employees and Elected Officials. The County Administrator/Controller, CIP Coordinator, and Finance Director will be responsible for ensuring that this policy is followed and/or updated as necessary.
- IV. **POLICY:**
- A. Definitions:
1. Capital Asset: An individual item or group acquisition of like items with a useful life in excess of 2 years and an individual cost of more than \$5,000.
 2. Capital Improvement Program (CIP): A multi-year planning document that is designed to forecast the long-term capital needs of the County and to establish funding alternatives for those projects which are determined to be high priority.
 3. CIP Advisory Committee: The CIP Advisory Committee is a standing committee appointed by the County Administrator/Controller consisting of members whose responsibility it will be to review the various departmental requests for capital improvement projects and recommend priority assignments to the CIP Coordinator.
- B. Development:
1. The Office of the Administrator/Controller – Finance Department will develop a multi-year capital improvement plan for capital improvements and update it annually. The CIP plan will be designed to maintain assets at a level adequate to protect the County’s capital investment and to minimize future maintenance and replacement costs.
 2. In accordance with the annual budget calendar, the Office of the Administrator/Controller – Finance Department will accept CIP requests for incorporation of new or revised requests into the CIP budget using the standard request form. All projects will be reviewed by the CIP Advisory Committee and evaluated based on pre-selected criteria and budget constraints.
 3. The Office of the Administrator/Controller – Finance Department will identify the estimated costs and potential funding sources for each capital project proposal before it is included in the recommended Capital Improvement Program. The County will determine the least costly financing method for all new projects and will include

proposed projects in the annual capital budget. The County will approve an annual capital budget as part of the annual general appropriations budget process.

C. Implementation:

1. The County will make all capital improvements in accordance with the adopted Capital Improvement Program
2. Procurement of capital assets will be governed by the County's procurement and purchasing policies.
3. Donated capital assets will be recorded at estimated fair value at the date of donation.
4. Purchases of capital assets will be recorded as capital outlay expenditures in the governmental fund financial statements, and capitalized as noncurrent assets in the proprietary and government-wide statements. Donated capital assets should be recorded at acquisition value in full accrual funds. All capital assets will be depreciated using the straight-line method over estimated useful lives.
5. The County may outsource the maintenance of depreciation schedules to a third-party consultant or its external auditors. In those instances, additions (along with the estimated useful lives) and disposals will be identified by the Office of the Administrator/Controller – Finance Department.
6. A complete physical inventory of all capital assets will be completed no less than once every three years. As part of this process:
 - i. Capital assets will be physically inventoried and compared to the records used for financial accounting purposes. Inconsistencies will be investigated and resolved and the financial accounting records will be adjusted accordingly.
 - ii. A detailed listing of capital assets from the financial accounting records will be provided to department heads for input on accuracy, completeness, and existence of assets. Inconsistencies will be investigated and resolved and the financial accounting records will be adjusted accordingly.
 - iii. Remaining useful lives of capital assets will be reviewed for reasonableness and adjusted when considered necessary and appropriate.

Legal Review: A copy of the proposed CIP will be provided to the County Corporation Counsel for review and comment. These reviews will focus on the legality of proposed projects and funding sources, and compliance with the County Policy. The Corporation Counsel may submit any recommendations for revisions to the proposed CIP to ensure that it is in keeping with applicable legal authority.

County Administrator/Controller Review: The CIP Coordinator will provide a copy of the proposed Capital Improvement Program to the County Administrator/Controller for review and comment prior to distribution of the CIP document to the Board of Commissioners.

Adoption/Public Hearing: The proposed CIP will be considered at a public hearing convened by the Board of Commissioners to accept comments and input from the public on the content of the Plan. The public hearing may be held as part of the annual public hearing on the proposed budget.

Distribution: A copy of the approved CIP document will be published on the County's external website.

Implementation: Upon adoption of the annual budget and CIP, projects included within the applicable budget year may be implemented by the appropriate department in compliance with the County's Purchasing Policy.