



TO: Distribution List
FROM: Paul McCulla, County Administrator
DATE: August 11, 2017
RE: Minutes of the July 24, 2017 Finance Committee Meeting

Committee Members present: Ms. Mary Leigh McDaniel and Mr. Chris Granger

The Finance Committee met on July 24, 2017 at 10:00 a.m. in the Warren Green Building, 2nd Floor Conference Room. This document reflects the official minutes of that meeting.

Reports

County Treasurer's Report: The report on Delinquent Tax Collections was presented to the Committee for their consideration. June delinquent balances were \$1,783,900 for Personal Property and \$2,366,089 for Real Estate.

County Attorney's Report: Tracy Gallehr, Deputy County Attorney, presented the County Attorney's report to the Committee for their consideration.

Health Insurance Fund Report: The May Health Insurance was presented to the Committee for their consideration.

Management and Budget

1. Revenue Report – The revenue report was presented to the Committee for their consideration.
2. Budget Action Report – Items were approved as presented.
3. Contingency Reserve Update – Items were approved as presented.
4. Grant Items – No new items were presented.

Action Items

Discussion Items

1. Revisions to the Capital Asset Policy were discussed. The Committee unanimously recommended moving this item to the August consent agenda for consideration of the full BOS.
2. New pedestrian signs for Marshall were discussed. This item was approved to be added to the Budget Action and Contingency Reserve reports.



COUNTY OF FAUQUIER

OFFICE OF THE TREASURER

Tanya Remson Wilcox, Treasurer

P. O. Box 677

Warrenton, VA 20188

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treasurer@fauquiercounty.gov



MEMORANDUM

DATE: July 10, 2017
 TO: FINANCE COMMITTEE
 FROM: TANYA REMSON WILCOX, TREASURER
 SUBJECT: DELINQUENT TAX COLLECTIONS FOR JUNE 2017

Listed below is a summary of the delinquent taxes collected for June 2017. These figures are broken down to show collections of base, penalty and interest. Additionally, through the diligent efforts of the delinquent tax collectors, the Commissioner exonerated \$(56,563).

COLLECTION OF PRIOR YEAR DELINQUENTS

	JUN 2017	MAY 2017	JUN 2016
REAL ESTATE	130,467	35,222	76,693
PERSONAL PROPERTY	24,929	30,894	22,352
BUSINESS LICENSE	8,486	6,576	17,681
PENALTY/INTEREST	40,530	26,384	38,095
MONTHLY TOTAL	204,413	99,075	154,821

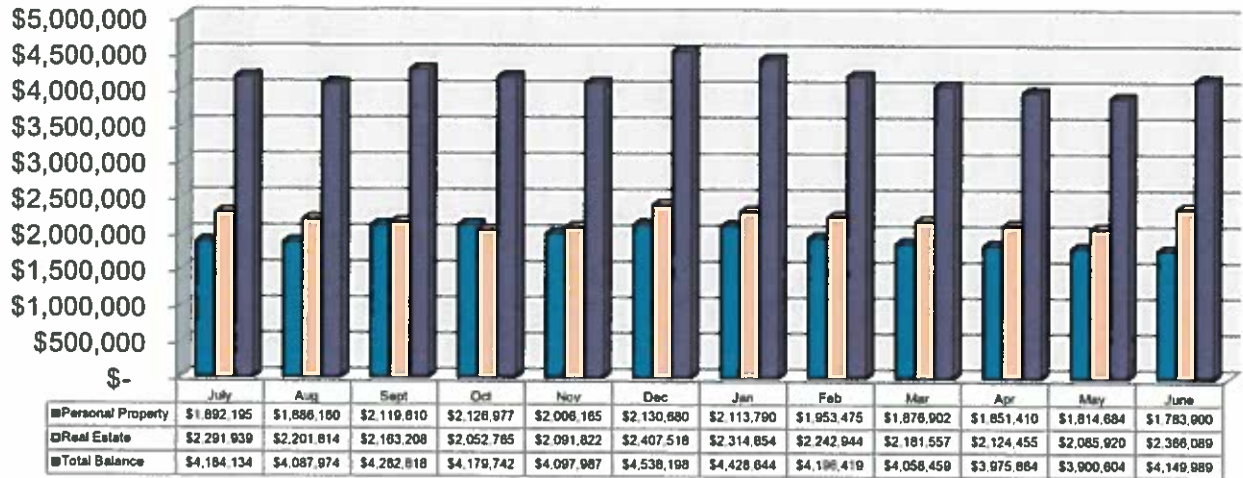
COLLECTION OF CURRENT DELINQUENTS

	JUN 2017	MAY 2017	JUN 2016
REAL ESTATE	753,045	114,791	743,235
PERSONAL PROPERTY	210,216	192,456	125,028
BUSINESS LICENSE	55	2,706	9,325
PENALTY/INTEREST	103,529	42,549	98,966
MONTHLY TOTAL	1,066,846	352,502	976,553

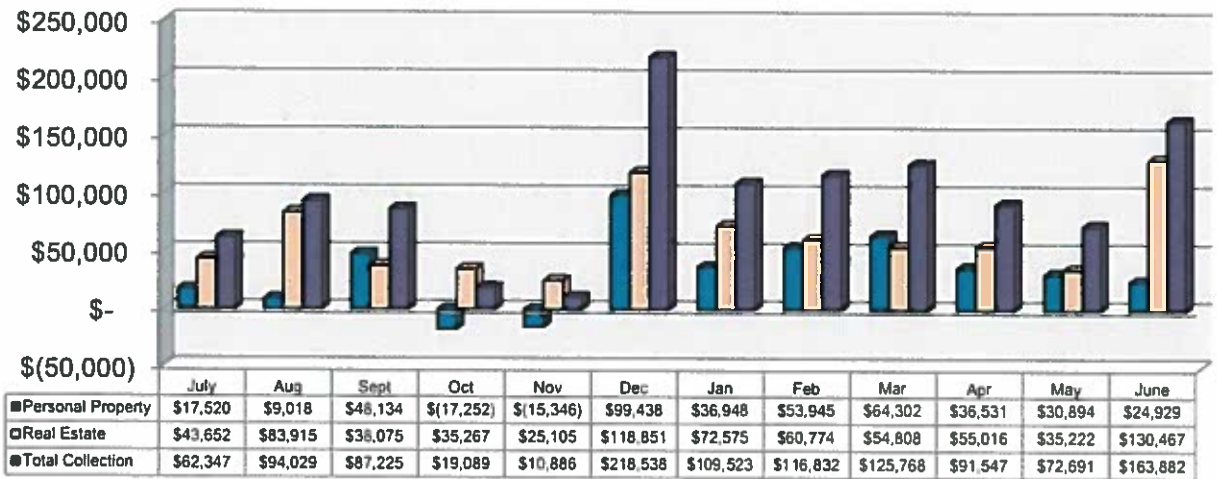
REMAINING DELINQUENT BALANCES

	JUNE 2017	JUNE 2016
PERSONAL PROPERTY	1,783,900	1,945,792
REAL ESTATE	2,366,089	2,326,913
	\$4,149,989	\$4,272,705

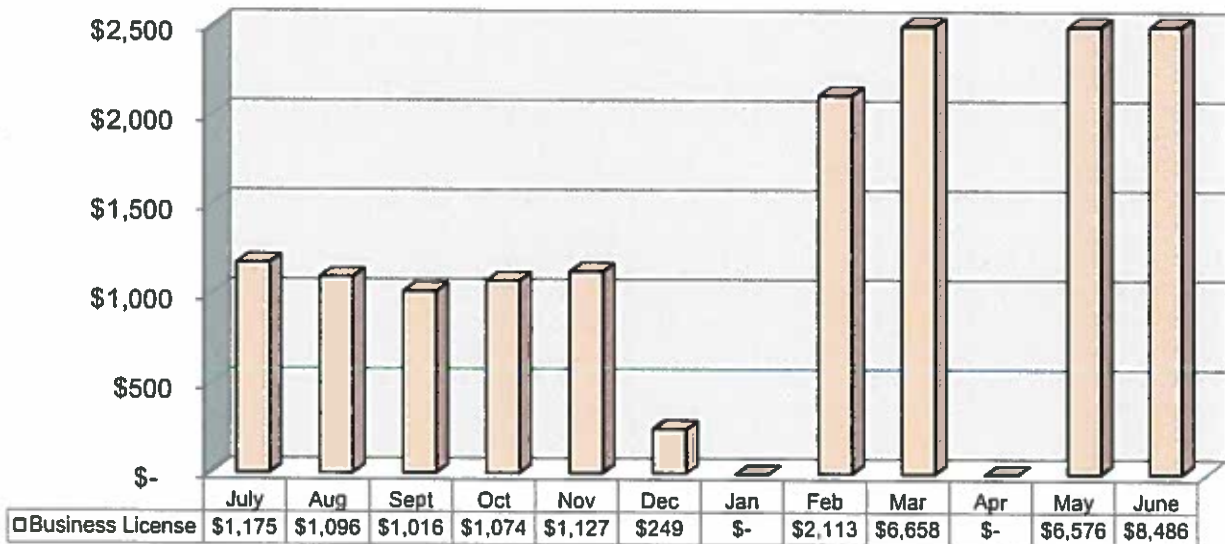
FY 2017 Delinquent Tax Balance



FY 2017 Delinquent Tax Collections



FY 2017 Delinquent Business License Tax Collections



FAUQUIER COUNTY OFFICE OF THE COUNTY ATTORNEY

MEMORANDUM

**TO: Chris N. Granger, Supervisor, Center District
Mary Leigh McDaniel, Supervisor, Marshall District**

THROUGH: Tanya Remson Wilcox, Treasurer

DATE: July 12, 2017

RE: Collections assistance – June 13, 2017 through July 12, 2017

The County Attorney's Office assisted the Treasurer and Commissioner of the Revenue (Commissioner) in the abatement and collection of personal property tax. A year to date tally is outlined in the attached bar graph with a comparison between FY2016 and FY2017.

The Office assisted the Commissioner's staff with title history research of five parcels of real estate. The research was extraordinarily cumbersome, requiring that we trace the parcels' history back to the early 1800s, but it is now complete. Based upon that research, we will recommend to the Commissioner changes to the tax assessments of all of the parcels. If he adopts the changes, we will present the properties to the Treasurer so that she can consider the prospect of issuing Treasurer's Notices, which is the first step in initiating a tax sale.

We also advised the Commissioner's staff regarding a recent Attorney General's opinion. It pertains to the statutory period that the Commissioner can abate real estate taxes for permanently and totally disabled veterans and their surviving spouses. The Attorney General's opinion confirmed that *Code of Virginia* § 58.1-3219.5 gives the Commissioner the authority to administratively correct a real estate tax assessment for a disabled veteran or surviving spouse beyond the typical period that he is permitted to abate taxes, which is the current tax year and the previous three tax years. Finally, we assisted the Commissioner's staff with assessment questions regarding two parcels owned by different people but consolidated into one by deed.

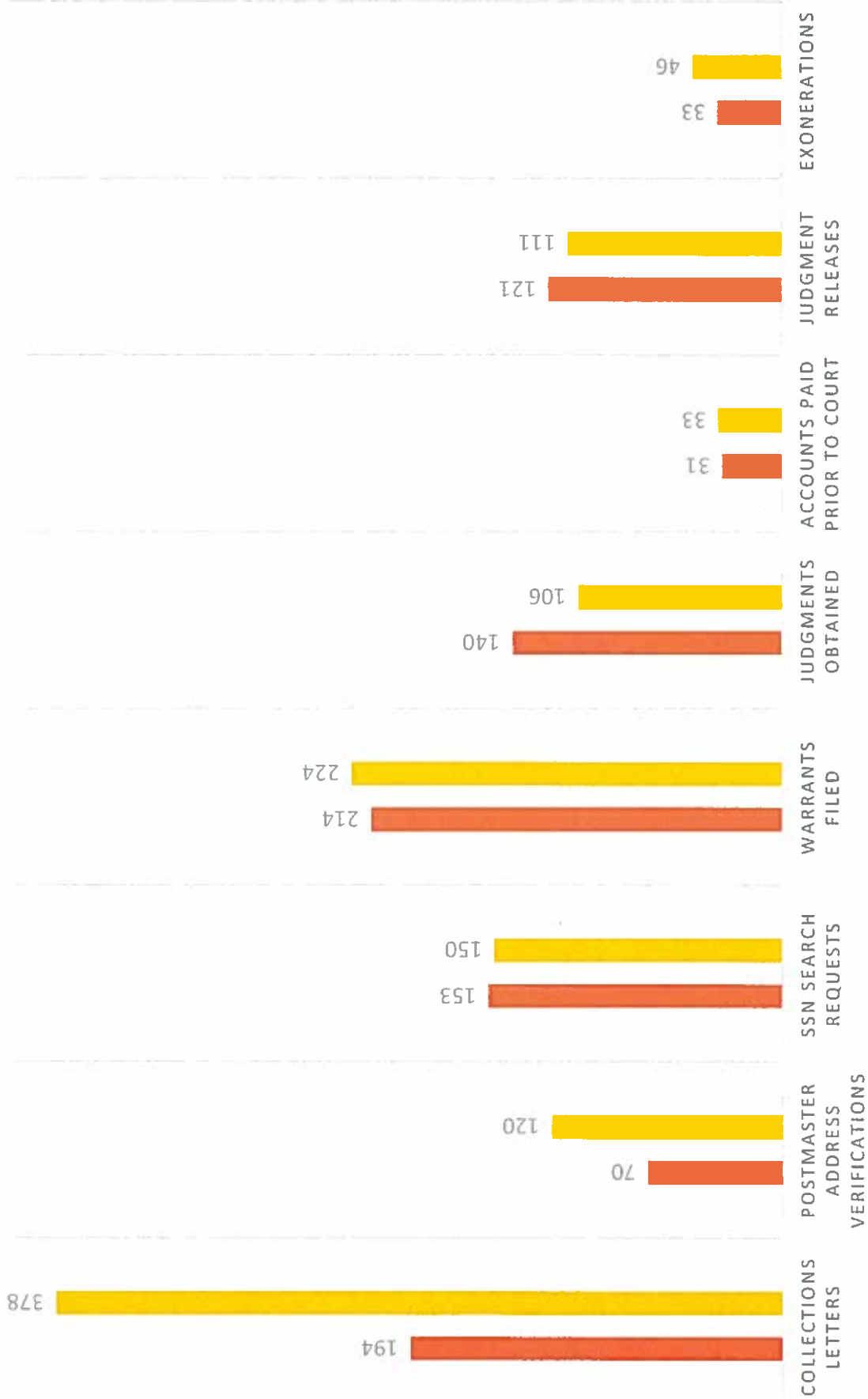
The Office assisted the Library with collections on two overdue library materials accounts this month. We filed a warrant in debt for each account. The cases were heard on July 12, 2017. The Court agreed to continue both cases to August to allow the patrons to return the overdue materials and pay the fees and costs in full. Efforts are underway to work with those patrons to pay their accounts in full.

Additionally, the Office is assisting the Landfill to collect one overdue commercial tipping fee account. We sent a collections letter to the account holders. If they do not respond within ten days, we will file a warrant in debt in General District Court to collect the outstanding balance.

In the month of June, owners of three parcels of real estate redeemed their properties from tax sale by paying the real estate taxes in full. Consequently, we closed the pending tax sale files for those properties.

PP TAX FY2016 TOTAL COMPARED TO FY2017 YTD

■ FY2017 ■ FY2016



JULY 2017

**FAUQUIER COUNTY GOVERNMENT AND FAUQUIER COUNTY PUBLIC SCHOOLS
JOINT FINANCE COMMITTEES HEALTH INSURANCE UPDATE**

Report Data as of May 2017

FY 2017 Budget Update:

Year-to-date expenses from the Health Insurance Fund (the Fund) are at \$27,509,294 compared with \$25,681,444 at the same time last year. This represents an increase of 7.1% over the prior year, consistent with April's year-over-year increase of 7.1%.

May medical claims were \$1,858,018 and prescription claims were \$487,084 for an actual total claims paid of \$2,345,102. The top three high cost claimant conditions for the plan year remain the same as last month and are Sepsis, Fracture of the Lumbar Spine and Fracture and Myasthenia Grovis Myoneural D/O (neuromuscular disease). We have received stop loss credit of \$1,131,416 and a prescription drug rebate of \$156,554 for the plan year.

In comparison to the FY 2017 budget, expenses are running at approximately 104.2% of budget through May 2017. When adjusted for revenue trends and the Fund's performance overall, the fund is running at approximately 103.4% of budget. The Fund began FY 2017 with a reserve balance of \$8,014,749 or \$975,924 over the FY 2017 reserve requirement of \$7,038,825.

Fauquier County General Fund Revenue

FY 2016 and 2017 Budget versus Actual as of July 24, 2017 with FY 2018 Adopted Budget

DESCRIPTION	ACTUAL	ADOPTED	AMENDED	ACTUAL	ADOPTED	AMENDED	ACTUAL	PROJECTED	ADOPTED
	FY15	FY16	FY16	FY16	FY17	FY17	FY17	FY17	FY18
GENERAL PROPERTY TAXES									
1 Real Estate Tax	\$ 92,713,635	\$ 92,972,886	\$ 92,972,886	\$ 95,652,706	\$ 96,602,596	\$ 96,602,596	\$ 97,682,494	\$ 97,772,105	\$ 98,953,919
2 Public Service	6,077,396	6,069,681	6,069,681	6,314,566	6,069,681	6,069,681	6,522,536	6,522,536	6,069,681
3 Personal Property Tax	18,304,825	18,650,000	18,650,000	19,694,591	20,202,165	20,202,165	22,148,219	22,150,000	22,866,000
4 Rollback Taxes	139,863	30,000	30,000	203,042	30,000	30,000	94,390	94,390	30,000
5 Bethel Academy	59,290	58,460	58,460	57,992	58,460	58,460	57,467	58,460	58,460
6 Delinq Real Estate Tax	780,286	1,300,000	1,300,000	763,350	1,000,000	1,000,000	569,594	775,000	775,000
7 Delinq Public Service	26,625	20,000	20,000	7,353	20,000	20,000	1	20,000	20,000
8 Delinq Personal Property Tax	319,558	245,000	245,000	340,525	245,000	245,000	363,280	363,280	245,000
9 Penalties - All Property	798,397	800,000	800,000	814,453	800,000	800,000	796,317	800,000	815,000
10 Interest - All	400,166	420,000	420,000	324,056	420,000	420,000	301,678	350,000	400,000
11 SUBTOTAL	\$ 119,620,041	\$ 120,566,027	\$ 120,566,027	\$ 124,172,634	\$ 125,447,902	\$ 125,447,902	\$ 128,535,976	\$ 128,905,771	\$ 130,233,060
OTHER LOCAL TAXES									
12 Sales Tax (Local)	\$ 8,024,703	\$ 8,000,000	\$ 8,000,000	\$ 8,305,286	\$ 8,240,000	\$ 8,240,000	\$ 7,629,873	\$ 9,050,000	\$ 8,640,000
13 Utility Tax (Local)	1,464,908	1,400,000	1,400,000	1,443,594	1,400,000	1,400,000	1,139,021	1,400,000	1,445,000
14 Utility Consumption Tax	193,297	190,000	190,000	188,267	190,000	190,000	146,690	190,000	190,000
15 BPOL Tax	1,353,040	1,355,000	1,355,000	1,444,902	1,355,000	1,355,000	1,315,183	1,355,000	1,355,000
16 License Fee	1,870,836	1,790,000	1,790,000	1,911,876	1,825,000	1,825,000	1,923,061	1,923,061	1,850,000
17 Bank Stock Tax	156,150	130,000	130,000	135,027	150,000	150,000	145,363	150,000	150,000
18 Recording Tax & Fees (Deeds)	1,465,177	1,500,000	1,500,000	1,645,104	1,500,000	1,500,000	1,506,884	1,610,000	1,500,000
19 Recording Tax & Fees (Wills)	49,578	42,500	42,500	75,061	50,000	50,000	30,723	50,000	50,000
20 Transient Occupancy Tax	103,001	90,000	90,000	100,692	90,000	90,000	80,302	90,000	100,000
21 SUBTOTAL	\$ 14,680,690	\$ 14,497,500	\$ 14,497,500	\$ 15,249,809	\$ 14,800,000	\$ 14,800,000	\$ 13,917,100	\$ 15,818,061	\$ 15,280,000
PERMITS, FEES, AND LICENSES									
22 Dog Tags	\$ 38,782	\$ 35,000	\$ 35,000	\$ 38,666	\$ 35,000	\$ 35,000	\$ 47,244	\$ 47,244	\$ 38,000
23 Land Use Fees	9,657	11,250	11,250	7,934	11,135	11,135	7,364	7,364	11,135
24 Transfer Fees	2,005	2,500	2,500	2,257	2,600	2,600	2,147	2,147	2,600
25 Solicitor Permits	-	-	-	35	-	-	-	-	-
26 Concealed Weapon Permits	9,463	10,000	10,000	13,237	10,000	10,000	11,239	11,239	10,000
27 Va Police Background Check	24,552	20,000	20,000	34,344	20,000	20,000	29,160	29,160	20,000
28 State Primary Fees	5,207	10,500	10,500	-	10,500	10,500	353	10,500	10,500
29 Animal/Pet Shop Dealer Permit	70	-	-	-	-	-	-	-	-
30 Community Development Fees	1,442,330	1,421,429	1,421,429	1,473,296	1,421,000	1,421,000	1,456,461	1,456,461	1,464,000
31 SUBTOTAL	\$ 1,532,066	\$ 1,510,679	\$ 1,510,679	\$ 1,569,769	\$ 1,510,235	\$ 1,510,235	\$ 1,553,968	\$ 1,564,115	\$ 1,556,235

Fauquier County General Fund Revenue FY 2016 and 2017 Budget versus Actual as of July 24, 2017 with FY 2018 Adopted Budget

DESCRIPTION	ACTUAL FY15	ADOPTED FY16	AMENDED FY16	ACTUAL FY16	ADOPTED FY17	AMENDED FY17	ACTUAL FY17	PROJECTED FY17	ADOPTED FY18
FINES AND FORFEITURES									
32 Local Fines	\$ 443,386	\$ 450,000	\$ 450,000	\$ 383,862	\$ 450,000	\$ 450,000	\$ 346,319	\$ 387,479	\$ 425,000
33 Court Judgment Proceeds	988	800	800	435	-	-	2,648	2,648	-
34 Zoning Violation Fines	404	500	500	-	500	-	-	-	500
35 Clean-Up Costs/Landowner Properties	664	-	-	1,225	-	-	1,251	1,251	-
36 Interest on Local Fines	19,990	6,000	6,000	8,728	7,000	7,000	9,374	9,374	7,000
37 SUBTOTAL	\$ 465,432	\$ 457,300	\$ 457,300	\$ 394,250	\$ 457,500	\$ 457,500	\$ 359,592	\$ 400,752	\$ 432,500
USE OF MONEY AND PROPERTY									
38 Interest Income - General Fund	\$ 64,456	\$ 125,000	\$ 125,000	\$ 138,843	\$ 75,000	\$ 75,000	\$ 209,902	\$ 210,000	\$ 100,000
39 Gain (Loss) on Investments	5,290	-	-	4,780	-	-	-	-	-
40 Sales of Equipment/Vehicles	-	-	-	-	-	-	-	-	-
41 Rental of County Property	45,510	43,760	43,760	45,937	102,932	102,932	67,420	67,420	109,932
42 Rental of Health Department	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700
43 Rental of Armory	3,900	16,000	16,000	-	5,000	5,000	-	-	-
44 Rental Hospital Hill Property	127,919	135,689	135,689	125,640	125,640	125,640	133,194	133,194	125,640
45 SUBTOTAL	\$ 272,775	\$ 346,149	\$ 346,149	\$ 340,900	\$ 334,272	\$ 334,272	\$ 436,216	\$ 436,314	\$ 361,272
CHARGES FOR SERVICES									
46 Excess Fees (Clerk of C. Court)	\$ 72,315	\$ 80,000	\$ 80,000	\$ 87,319	\$ 80,000	\$ 80,000	\$ 76,110	\$ 76,110	\$ 80,000
47 Remote Access Clerk Fee	3,242	10,000	10,000	-	10,000	10,000	4,455	4,455	-
48 Sheriff Fees	3,742	3,742	3,742	3,742	3,742	3,742	3,742	3,742	3,742
49 Law Library Fees	9,411	11,750	11,750	9,370	11,000	11,000	9,253	9,253	10,000
50 Local Cost	27,848	40,000	40,000	32,297	30,000	30,000	25,109	25,948	30,000
51 Detention Fee	2,562	4,500	4,500	2,242	3,500	3,500	1,894	1,894	3,500
52 Inmate Processing Fee	10,577	10,000	10,000	9,063	11,000	11,000	8,867	8,867	11,000
53 Commonwealth's Attorney Fee	6,674	6,000	6,000	5,934	7,000	7,000	6,243	6,243	7,000
54 County Attorney Fees	31,886	8,000	11,887	69,142	15,000	15,000	26,986	26,986	15,000
55 Correction & Detention Charge	55,105	53,000	53,000	56,875	55,000	55,000	40,369	40,369	55,000
56 Street Signs	2,731	995	995	1,463	2,000	2,000	2,747	2,747	2,000
57 Police Reports/Fingerprinting Fee	7,171	9,000	9,000	8,900	8,000	8,000	10,112	10,112	8,500
58 Fire Marshal Fees	-	109,275	109,275	-	-	-	-	-	-
59 Inmate DNA	1,634	900	900	917	900	900	950	950	900
60 Courtroom Security	142,371	165,000	165,000	136,112	165,000	165,000	145,009	145,009	145,000
61 Parks & Recreation	523,261	488,680	488,680	544,009	490,480	490,480	502,191	502,191	500,491
62 Library Fees	74,973	77,000	77,000	76,513	75,500	75,500	76,861	76,861	76,000
63 Sales of GIS Maps	11,638	8,000	8,000	8,385	10,000	10,000	7,056	7,056	5,000
64 Sale of Computer Lists & Files	-	-	-	5	-	-	-	-	-
65 SUBTOTAL	\$ 987,141	\$ 1,085,842	\$ 1,089,729	\$ 1,052,288	\$ 978,122	\$ 978,122	\$ 947,954	\$ 948,793	\$ 953,133

Fauquier County General Fund Revenue
FY 2016 and 2017 Budget versus Actual as of July 24, 2017 with FY 2018 Adopted Budget

DESCRIPTION	ACTUAL FY15	ADOPTED FY16	AMENDED FY16	ACTUAL FY16	ADOPTED FY17	AMENDED FY17	ACTUAL FY17	PROJECTED FY17	ADOPTED FY18
MISCELLANEOUS									
66 Path Foundation Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,000	\$ 85,000	\$ 85,000	\$ -
67 Parks & Recreation Donations	613	-	-	618	-	-	634	634	-
68 Economic Development Program Donations	15,000	-	14,060	15,045	-	8,790	8,790	8,790	-
69 Farm Tour Donations	1,000	1,500	1,500	500	1,000	1,000	500	500	1,000
70 Other Program Donations/NAEH Grant	14,999	-	-	-	-	-	-	-	-
71 Admin Fees - Debt Set-Off	60,881	70,000	70,000	57,075	65,000	65,000	56,236	56,236	60,000
72 Lien Fees - Treasurer	41,417	41,100	41,100	46,669	45,000	45,000	42,067	42,067	45,990
73 Lien Fees - County Attorney	5,799	2,000	2,000	3,506	3,500	3,500	3,405	3,405	3,500
74 Commonwealth's Attorney Collection Fees	150,860	117,000	117,000	154,298	165,000	165,000	134,107	134,107	155,000
75 Circuit Court Collection Fees	1,219	1,000	1,000	1,028	1,000	1,000	1,369	1,369	1,000
76 General District Court Collection Fees	3,263	3,500	3,500	3,330	3,500	3,500	3,781	3,781	3,500
77 J&DR Court Collection Fees	169	250	250	215	250	250	304	304	250
78 HR Background Check	24,077	25,000	25,000	19,001	25,000	25,000	20,414	20,414	25,000
79 Wellness Dollars	-	25,000	25,000	25,000	25,000	25,000	-	25,000	25,000
80 HR Misc. Revenues	32,423	15,681	15,681	32,844	15,681	15,681	30,946	30,946	15,681
81 Town Election Reimb/Registrar	8,298	13,000	13,000	3,084	-	-	8,585	8,585	3,200
82 Town Code Red Emergency System Reimb	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
83 Insurance Recoveries	34,118	-	27,502	29,771	-	20,977	25,476	25,476	-
84 Miscellaneous	83,558	80,145	98,119	98,569	86,836	87,723	153,807	153,807	88,981
85 SUBTOTAL	\$ 482,694	\$ 400,176	\$ 459,712	\$ 495,553	\$ 441,767	\$ 557,421	\$ 580,421	\$ 605,421	\$ 433,102
RECOVERED COSTS									
86 Canteen Medical Reimbursements	\$ 6,862	\$ 6,500	\$ 6,500	\$ 5,194	\$ 6,500	\$ 6,500	\$ 5,774	\$ 5,774	\$ 6,500
87 Process & Service Fees	1,903	-	-	1,333	-	-	1,518	1,518	-
88 Home Incarceration Fees	26,172	22,000	22,000	24,786	22,000	22,000	11,934	11,934	22,000
89 Other Government Charges	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
90 Work Release	66,204	65,000	65,000	58,794	65,000	65,000	67,728	67,728	65,000
91 CSA Refund	80,864	10,000	10,000	24,869	10,000	10,000	13,506	13,506	10,000
92 Warrenton Comm Ctr Recovered Costs	17,810	19,000	19,000	17,825	19,000	19,000	19,428	19,428	19,000
93 Radio Reimb - Culpeper/Rappahannock	27,228	25,862	25,862	30,187	27,362	27,362	28,847	28,847	13,681
94 Miscellaneous	103,206	2,000	59,316	62,963	2,000	44,094	52,241	52,241	2,000
95 SUBTOTAL	\$ 340,749	\$ 160,862	\$ 218,178	\$ 236,451	\$ 162,362	\$ 204,456	\$ 211,476	\$ 211,476	\$ 148,681
96 TOTAL LOCAL REVENUE	\$ 138,381,588	\$ 139,024,535	\$ 139,145,274	\$ 143,511,654	\$ 144,132,160	\$ 144,289,908	\$ 146,542,703	\$ 148,890,703	\$ 149,397,983

Fauquier County General Fund Revenue
FY 2016 and 2017 Budget versus Actual as of July 24, 2017 with FY 2018 Adopted Budget

DESCRIPTION	ACTUAL FY15	ADOPTED FY16	AMENDED FY16	ACTUAL FY16	ADOPTED FY17	AMENDED FY17	ACTUAL FY17	PROJECTED FY17	ADOPTED FY18
STATE REVENUE									
NON-CATEGORICAL AID									
97 Rolling Stock Tax	\$ 87,168	\$ 93,000	\$ 93,000	\$ 88,562	\$ 88,500	\$ 88,500	\$ 97,058	\$ 97,058	\$ 88,500
98 Mobile Home Titling Tax	33,863	20,000	20,000	25,554	25,000	25,000	16,870	16,870	25,000
99 Rental Car Tax	6,763	10,000	10,000	9,504	10,000	10,000	7,640	7,640	10,000
100 Commonwealth PPTRA	13,657,599	13,657,510	13,657,510	13,657,643	13,657,510	13,657,510	13,658,011	13,657,510	13,657,510
101 Communications Tax	2,886,711	2,900,000	2,900,000	2,801,253	2,800,000	2,800,000	2,283,189	2,800,000	2,800,000
102 VA Racing Pari-mutuel Wagering Tax	810	-	-	840	-	-	290	290	-
103 SUBTOTAL	\$ 16,672,914	\$ 16,680,510	\$ 16,680,510	\$ 16,583,356	\$ 16,581,010	\$ 16,581,010	\$ 16,063,058	\$ 16,579,368	\$ 16,581,010
CATEGORICAL AID									
SHARED EXPENSES									
104 Commonwealth's Attorney	\$ 487,309	\$ 489,502	\$ 489,502	\$ 494,366	\$ 495,818	\$ 495,818	\$ 451,190	\$ 491,513	\$ 507,289
105 Sheriff	3,530,618	3,590,980	3,590,980	3,594,601	3,622,615	3,622,615	3,173,957	3,590,980	3,643,103
106 Commissioner of Revenue	177,931	181,315	181,315	179,393	186,557	186,557	165,383	184,941	185,256
107 Treasurer	147,483	150,344	150,344	150,339	151,682	151,682	136,874	150,344	153,251
108 Registrar	46,007	64,111	64,111	76,662	64,111	64,111	46,977	64,111	64,111
109 Clerk of Court	468,117	469,924	469,924	464,908	474,100	474,100	444,544	469,924	471,477
110 Adult Confinement - Detention	208,408	225,000	225,000	177,492	225,000	225,000	159,964	225,000	200,000
111 SUBTOTAL	\$ 5,065,873	\$ 5,171,176	\$ 5,183,727	\$ 5,137,761	\$ 5,219,883	\$ 5,219,883	\$ 4,578,889	\$ 5,176,813	\$ 5,224,487
WELFARE									
112 Social Services	\$ 1,296,985	\$ 1,434,131	\$ 1,714,720	\$ 1,467,962	\$ 1,510,342	\$ 1,590,076	\$ 1,309,184	\$ 1,491,719	\$ 1,457,875
113 Children's Services Act	2,408,764	2,539,475	2,948,730	2,439,219	2,717,730	2,717,730	1,805,056	2,396,033	2,717,730
114 Welfare to Work	3,636	-	-	3,762	-	-	603	603	-
115 Bright Stars Pre-school Initiative	54,000	54,000	54,000	-	-	-	-	-	-
116 HSG Grant	-	-	-	-	-	-	-	-	-
117 VHSP Grant	294,676	-	245,988	245,988	-	-	-	-	-
117 Domestic Violence Grant	-	-	33,919	25,501	-	132,772	112,950	132,772	-
118 DCJS VOCA Grant	-	-	-	-	-	66,167	48,351	51,518	-
119 SUBTOTAL	\$ 4,058,061	\$ 4,027,606	\$ 4,997,357	\$ 4,182,432	\$ 4,228,072	\$ 4,506,745	\$ 3,276,144	\$ 4,072,645	\$ 4,175,605

Fauquier County General Fund Revenue
FY 2016 and 2017 Budget versus Actual as of July 24, 2017 with FY 2018 Adopted Budget

DESCRIPTION	ACTUAL FY15	ADOPTED FY16	AMENDED FY16	ACTUAL FY16	ADOPTED FY17	AMENDED FY17	ACTUAL FY17	PROJECTED FY17	ADOPTED FY18
OTHER CATEGORICAL AID									
120 Recordation Tax	\$ 443,345	\$ 450,000	\$ 450,000	\$ 430,392	\$ 450,000	\$ 450,000	\$ 435,409	\$ 435,409	\$ 450,000
121 Jury Duty Reimbursement	24,592	30,000	30,000	25,891	25,000	25,000	21,427	25,000	25,000
122 Adult Court SVS - Pretrial	243,636	245,647	245,647	120,302	243,636	371,302	371,302	371,302	243,636
123 Comprehensive Community Corrections	261,810	259,799	259,799	135,030	261,810	389,476	395,737	395,737	268,071
124 Rescue Squad Assistance Grant	15,320	-	51,211	51,211	-	-	-	-	-
125 Prisoner Transportation	11,042	15,000	15,000	29,160	10,000	10,000	14,733	14,733	10,000
126 VA Juv Community Crime Control Act	36,836	36,836	36,836	36,836	36,836	36,836	36,836	36,836	36,836
127 E-911 Wireless Program	116,290	108,272	108,272	118,705	116,550	116,550	121,745	121,745	119,716
128 Armory	12,156	24,350	24,350	16,032	17,751	17,751	19,768	19,768	17,751
129 Library Aid	154,668	154,545	154,545	153,496	153,496	153,496	158,072	158,072	153,496
130 Commission of the Arts	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
131 Virginia Tourism Corporation Grant	-	-	1,240	1,240	-	-	-	-	-
132 DEQ Stormwater Phase II Grant	-	-	-	-	-	-	-	-	-
133 Miscellaneous	84,238	17,000	32,589	186,352	17,000	34,511	42,824	42,824	15,000
134 SUBTOTAL	\$ 1,408,933	\$ 1,346,449	\$ 1,414,489	\$ 1,309,647	\$ 1,337,079	\$ 1,609,922	\$ 1,622,853	\$ 1,626,426	\$ 1,344,506
135 Local Aid - Commonwealth Contract	\$ (178,837)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
136 TOTAL STATE REVENUE	\$ 27,026,944	\$ 27,225,741	\$ 28,276,083	\$ 27,213,196	\$ 27,366,044	\$ 27,917,560	\$ 25,540,944	\$ 27,455,252	\$ 27,325,608
FEDERAL REVENUE									
NON-CATEGORICAL AID									
137 Payments in Lieu of Taxes	\$ 2,409	\$ -	\$ -	\$ 2,867	\$ -	\$ -	\$ 2,721	\$ 2,721	\$ -
138 SUBTOTAL	2,409	-	-	2,867	-	-	2,721	2,721	-
CATEGORICAL AID									
139 Welfare Administration	\$ 2,585,853	\$ 1,952,585	\$ 2,409,786	\$ 3,003,850	\$ 2,316,580	\$ 2,666,819	\$ 2,617,326	\$ 2,686,610	\$ 2,242,031
140 Public Safety	186,946	154,806	216,654	163,424	17,725	99,964	204,055	204,055	17,725
141 DCJS Restorative Pathways	-	-	-	-	-	27,267	12,878	27,267	-
142 Agriculture Development	10,944	-	36,388	15,130	-	29,776	19,893	23,948	-
143 Community Development	4,746	-	-	-	-	2,300,000	2,300,000	2,300,000	-
144 Parks & Recreation	-	-	5,750	5,750	-	-	-	-	-
145 Miscellaneous	-	-	-	-	-	-	-	-	-
146 SUBTOTAL	\$ 2,788,489	\$ 2,107,391	\$ 2,668,578	\$ 3,188,154	\$ 2,334,305	\$ 5,123,826	\$ 5,154,152	\$ 5,241,880	\$ 2,259,756
147 TOTAL FEDERAL REVENUE	\$ 2,790,898	\$ 2,107,391	\$ 2,668,578	\$ 3,191,021	\$ 2,334,305	\$ 5,123,826	\$ 5,156,873	\$ 5,244,601	\$ 2,259,756
148 NON-DEPARTMENTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Fauquier County General Fund Revenue
FY 2016 and 2017 Budget versus Actual as of July 24, 2017 with FY 2018 Adopted Budget

DESCRIPTION	ACTUAL FY15	ADOPTED FY16	AMENDED FY16	ACTUAL FY16	ADOPTED FY17	AMENDED FY17	ACTUAL FY17	PROJECTED FY17	ADOPTED FY18
INTERGOVERNMENTAL									
149 Fleet Maintenance Fund	\$ -	\$ -	\$ -	497	\$ -	\$ -	\$ -	\$ -	\$ -
150 Conservation Easement Service District	-	-	-	6,659	-	-	-	-	-
151 Stormwater Management Fund	362,571	362,571	362,571	362,571	338,971	338,971	-	338,971	338,971
152 Parks and Rec Trust Fund	-	-	-	-	-	-	-	-	-
153 Fire and Rescue Levy Fund	201,713	175,038	186,427	222,054	811,012	811,012	811,012	811,012	1,318,724
154 Proffers Fund	-	-	-	-	-	-	-	-	-
155 Ambulance Revenue Fund	1,139,773	1,119,208	1,119,208	1,111,705	934,779	934,779	-	934,779	902,692
156 Affordable Housing Fund	394,345	-	201,632	201,632	-	-	-	-	-
157 County Asset Replacement	-	-	125,759	125,759	-	-	-	-	-
158 School Operating Fund (CSA)	-	-	248,445	248,445	300,000	300,000	-	300,000	300,000
159 Capital Improvement Fund	-	-	306,083	306,083	-	-	-	-	117,137
163 SUBTOTAL	\$ 2,098,402	\$ 1,656,817	\$ 2,550,125	\$ 2,585,405	\$ 2,384,762	\$ 2,384,762	\$ 811,012	\$ 2,384,762	\$ 2,977,524
164 SUBTOTAL GENERAL FUND	\$ 170,297,832	\$ 170,014,484	\$ 172,640,060	\$ 176,501,276	\$ 176,217,271	\$ 179,716,056	\$ 178,051,532	\$ 183,975,318	\$ 181,960,871
165 PRIOR YEAR'S FUND BALANCE	-	1,300,000	5,612,913	-	1,327,321	6,897,858	-	6,897,858	1,093,227
166 TOTAL GENERAL FUND	\$ 170,297,832	\$ 171,314,484	\$ 178,252,973	\$ 176,501,276	\$ 177,544,592	\$ 186,613,914	\$ 178,051,532	\$ 190,873,176	\$ 183,054,098

Finance Committee Budget Action Report July 24, 2017

Budget Actions Summary – FY 2018		
<u>Supplemental Appropriations</u>	General Fund	\$38,500

Requesting Department	Description	Amount	Category		Action/Explanation
			From	To	
Consent Agenda					
FY 2018					
Agricultural Development	Regional Food Port Feasibility Study Grant	\$38,500	Federal Revenue	Agricultural Development	Accepts and appropriates \$38,500 in Federal funding in support of the Rural Business Development Grant awarded by the United States Department of Agriculture (USDA). This grant will partially fund a regional food port feasibility study, as indicated at application. The department is seeking additional grant funding and received commitment of match contributions from other partner localities. There is no local match for this grant.

Highlights of Proposed Changes to the Capital Asset Policy

Overall

1. Formatted to be in line with formatting of Petty Cash Policy.
2. Sections re-ordered for better flow.

Purpose

1. Streamlined to include points from the former Policy Statement section. Policy statement section eliminated.
2. Added to language to the objectives to address the Property Standards of the Uniform Administrative Requirements for Federal Awards.

Scope

1. Included language to address grants that may impose restrictions that differ from the policy.

Definition of Terms and Forms

1. Definitions of Terms- Updated heading to include Forms
2. Added the following terms and definitions: Capital Asset Inventory, Capital Asset Inventory Listing, Department, Easements, Right of Way, Software Licenses as categories of intangible assets, Proffered Assets, and Vehicle Donation Form

Procedures

- A. Accounting and Reporting for Capital Assets and Projects
 1. Assets purchased with state and Federal Funds will be tracked regardless of capitalization threshold.
 2. Property Standards of the Uniform Administrative Requirements for Federal Awards.
 3. Add paragraph on recording or depreciation and amortization for proprietary funds.
- B. Valuation of Capital Assets
 1. Organized by asset type: Purchased assets & Assets acquired by gift donation, or trade and added Appendix A for procedures for assets acquired by donation or trade transaction. Section includes guidelines for Vehicle donations and other asset donations.
 2. Listing of specific costs that can be capitalized
 3. Language excluding training, warranties, and maintenance agreements from capitalization.
- C. Valuation of Capital Projects- **entire section added to the policy**
 1. Outlines the stages of a capital project, provides examples of the types of costs, and whether they will be capitalized or expensed.
- D. Thresholds for Capitalization
 1. Added chart to address useful life and thresholds for tangible assets, intangible assets (software licenses and easements), and capital projects.

2. Threshold for tangible assets increased from \$5,000 per individual item to \$10,000 per individual item.
3. Threshold established for easements of \$100,000.
4. Threshold for capital projects increased from \$50,000 to \$100,000.

E. Asset Impairment

1. Formatting changes

F. Estimated Useful Life and Depreciation/ Amortization Method

1. Vehicles- automobiles, vans, and motorized equipment updated to useful life of 5 years for consistency. Previous policy specified a range of 3-12 years.
2. Vehicles- school buses and trucks updated to useful life of 10 years for consistency. Previous policy specified a range of 3-12 years.

Roles and Responsibilities

A. Department

1. Formatting and wording changes

B. Finance Department

1. Added “Perform physical inventory or inspection of assets on a selected basis.”
2. Added “Perform inspection of assets purchased with Federal funds on at least a biennial basis.”

Appendices- NEW- Added to the policy

- Appendix A: Procedures for Assets acquired by gift, donation, or proffer
 - Instructions and Form for Vehicle Donations
 - Instructions and Form for Donations (Other Assets)
- Appendix B: Capital Asset Maintenance Form and Instructions
 1. Form in pdf format rather than in Microsoft Word.
 2. Separates purchase additions from donations and proffers.
 3. Separated lines for transfers to and from.
 4. Instructions update to reflect changes in the form.

**Finance Department Policy
Fauquier County, Virginia**

**Policy Title: Capital Assets
Section No.: Finance Department –FD-2**

Effective Date: 09/01/2017

I. Purpose

The purpose of this policy is to provide general guidance for the proper recording and financial reporting of capital assets. This policy sets forth responsibility for the custody and use of specific assets, and the accounting requirements to accumulate and report essential data, including the computation of depreciation and amortization, when necessary.

Such guidance is intended to provide a reasonable assurance that capital assets are properly accounted for and safeguarded.

This policy is intended to ensure the following objectives:

- The investment of public funds in capital assets are adequately defined and consistently implemented.
- Capital assets are properly accounted for and reported in the financial statements as mandated by the Code of Virginia.
- Capital assets are accounted for and reported in accordance with generally accepted accounting principles (“GAAP”) and all applicable Governmental Accounting Standards Board (GASB) Statements.
- Capital assets properly adhere to the Property Standards of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Title 2, Code of Federal Regulations, Part 200 (2 CFR 200)).
- Standards of control are established and maintained to minimize the risk of loss or misuse.

This policy is reviewed annually to ensure that it is current and meets the outlined objectives.

II. Scope

This policy applies to the Fauquier County Government and Public Schools and all departments. For the purposes of this policy, departments include constitutional offices, agencies, individual schools, associated programs, and grants with assets that meet the criteria herein.

Certain grants may impose restrictions that differ from this policy. In such instances, standards required by the grant will be applied in treatment of the asset(s) or capital project(s).

III. Definitions of Terms and Forms

Amortization – The systematic allocation of the cost of an intangible asset over its useful life.

Capital Asset – Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Capital Asset Donation Form – Form completed upon acceptance of a donation of capital assets from a party external to the County and Schools. See Appendix A.

Capital Asset Inventory – The annual process whereby departments, agencies and schools verify the existence of capital assets in a given location or related to a given department and report to the Finance Department.

Capital Asset Inventory Listing – A listing of capital assets from the accounting system's Capital Asset Module.

Capital Asset Maintenance Form – Form completed on an annual basis by departments to report additions (purchases and donations), deletions, and transfers of capital assets to the Finance Department. See Appendix B.

Capital Outlay – The acquisition of tangible personal property items including, but not limited to, furniture, equipment, and vehicles which meet the established criteria for a capital asset.

Capital Projects – Refers to the acquisition or construction of major capital equipment or facilities that are typically accounted for in a separate capital project or asset replacement fund.

Capitalization Threshold – The dollar value at which a government elects to capitalize tangible or intangible assets.

Capitalized Costs – The cost of an asset and any other expenses necessary to place the asset in service.

Department – Department refers to Fauquier County departments, agencies, constitutional offices and Fauquier County Public Schools departments, offices and individual schools.

Depreciation – The systematic allocation of the cost of a tangible asset over its useful life.

Impairment – A significant, unexpected decline in the service utility of a capital asset.

Intangible Asset – A nonfinancial asset that lacks physical substance, has an initial useful life that extends beyond a single reporting period, and provides present service capacity. Examples of intangible assets include:

Easements – Interests in land owned by another that entitles its holder to the right to use the land for a specific or limited purpose. Right of way is a type of easement in which fee simple title is obtained, defined as an absolute estate in perpetuity, in which the owner is entitled to the entire property, with unconditional power of disposition.

Software Licenses – The right to use one or more copies of software or an application without violating copyrights.

Internally Generated Intangible Capital Assets – Intangible capital assets that are either 1) created or produced by the government itself or by an entity contracted by the government; or 2) acquired from a third party, but require more than minimal incremental effort on the part of the government to begin to achieve the expected level of service capacity.

Operating Costs – Expenditures for goods or services that do not meet the threshold established for capital assets and are not capitalized. These costs include expenditures for maintenance and repairs that do not appreciably add to the value of the asset or materially extend the useful life of the asset.

Present Service Capacity – An asset's existing capability to enable the government to provide services, which in turn enables the government to fulfill its mission.

Proffered Assets – Cash or other tangible assets offered for donation by property owners at the time of (re)zoning to help defray the capital facilities costs associated with the resultant development.

Useful Life – The estimated period during which a capital asset provides service.

Vehicle Donation Form – Form completed upon acceptance of a donation of a motor vehicle (including automobiles, planes, boats, etc.) from a party external to the County and Schools. This form captures important information to be transmitted to the Internal Revenue Service and therefore must be completed for each motor vehicle donation. See Appendix A.

IV. Procedures

A. Internal Controls

All departments shall establish and maintain internal controls over long-term assets to provide reasonable assurance of effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. The major objective of internal controls over long-term assets is accountability. Departments should have procedures in place to ensure the following:

1. Capital assets are adequately safeguarded from loss or theft.
2. Adequate documentation is maintained to support the cost of the assets.
3. Proper approvals are used for acquisitions and dispositions.
4. Physical inventories are taken annually and reported to the Finance Department on the Capital Asset Maintenance Form.
5. Proper segregation of duties is in place.

B. Accounting and Reporting Capital Assets and Projects

Capital assets and projects may be funded by local, state and/or Federal revenue sources, acquired through donation, trade transaction, or be purchased with proceeds from a debt transaction or capital lease.

Assets acquired with state and Federal awards and grants will be tracked in the capital asset module regardless of capitalization thresholds outlined in Section E. These assets should be handled in accordance with property standards outlined in the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards 2 CFR Section 200 paragraphs 200.310-200.316:

1. Title for real property and equipment acquired or improved with Federal awards will vest with the County or Schools. Title for federally-owned and exempt property remains vested with the Federal government.
2. Insurance coverage for real property and equipment acquired with Federal funds must at a minimum be equivalent to that of other property owned by the County.
3. Real property will be used for the originally authorized purpose as long as needed for that purpose.
4. Instructions for disposition of real property must be obtained from the Federal awarding or pass through agency.

Works of art, historical treasures, and similar assets shall be capitalized and depreciated unless the Fauquier County Board of Supervisors or the Fauquier County School Board (as appropriate) affirm by resolution, all of the following:

1. The asset(s) will be held for public exhibition, education, or research in furtherance of public service, rather than for financial gain;
2. The asset(s) will be protected, kept, unencumbered, cared for, and preserved;
3. Upon disposal of the asset(s), proceeds from the disposal shall be used solely for acquisition of other similar works of art, historical treasures or other similar assets or collections.

In accordance with GAAP, capital assets will be budgeted and expended in the appropriate operating fund using a capital outlay object code (8000 series) unless there is a compelling reason to use the Capital Improvement Fund (CIP) or the appropriate Asset Replacement Fund.

Capital projects, except those related to proprietary activities, shall be budgeted, expended and reported in the CIP or the appropriate Asset Replacement Fund. Expenditures are assigned the appropriate function account code as defined in the state Chart of Accounts.

Capital asset activity and related depreciation and amortization for the County and Schools will be recorded annually in the Capital Asset Account Group funds upon completion of each fiscal year.

Proprietary fund capital assets and related depreciation and amortization shall be recorded directly into those funds. Additions and deletions of capital assets shall be maintained as they occur to safeguard the property from unauthorized use or loss.

C. Valuation of Capital Assets

1. Purchased Assets – Capital assets purchased by the County and Schools shall be reported at historical costs (original cost when acquired). The cost of a capital asset should include ancillary charges necessary to place the asset into its intended location and condition for use. Items to include in the cost of a capital asset are as follows:
 - a. Original contract or invoice price
 - b. Freight and transportation charges
 - c. Import duties
 - d. Handling and storage charges
 - e. In-transit insurance charges
 - f. Installation charges
 - g. Charges for testing and preparation for use
 - h. Costs of reconditioning used items when purchased
 - i. Parts and labor associated with the construction of equipment
 - j. Site preparation costs

- k. Professional fees
- l. Capitalized interest should be included in the cost of a proprietary fund asset when it meets the criteria of Financial Accounting Standard Board No. 62.

Costs of extended warranties, training, and maintenance agreements, which can be separately identified from the cost of the equipment, shall not be capitalized.

- 2. Assets acquired by donation or trade transaction – Assets acquired by donation, or trade transaction shall be recorded at the fair market value on the date of the transaction. If the fair market value of an item already in service is unavailable at the time of capitalization, then the current estimated replacement cost shall be used. Both fair market value and current estimated replacement cost are subject to the capitalization thresholds detailed in this section.

Procedures for assets acquired by donation are in Appendix A and B of this policy. All asset donations must be handled in accordance with these procedures to ensure compliance with Internal Revenue Service code and requirements.

D. Valuation of Capital Projects

- 1. Only costs directly identified with the project may be capitalized. Costs incurred for capital projects are classified into four stages:
 - a. Preliminary – Exploration of opportunities for acquisition or construction are conducted
 - b. Pre-Acquisition/Construction – Acquisition/construction is probable (board approval and/or appropriation of funding)
 - c. Acquisition/Construction – Acquisition has occurred and/or construction has commenced or is in progress.
 - d. In-service – Asset is substantially complete and has been placed in service.

<u>Stage</u>	<u>Typical Activities</u>	<u>Accounting for Costs</u>
Preliminary	<ul style="list-style-type: none"> • consideration of alternatives; • feasibility studies; • utilities analysis; • scope development; • preliminary estimates 	Expense
Pre-Acquisition/ Construction	<ul style="list-style-type: none"> • planning and design; • architectural/engineering; • legal; • closing costs; • titling; • appraisal fees; • surveying/site preparation/demolition; • scope definitions; • soil testing; • vendor selection 	Capitalize
Acquisition/ Construction	<ul style="list-style-type: none"> • project management; • construction; • utility expansion; • insurance premiums during construction; • initial furnishing/fixtures 	Capitalize
In Service	<ul style="list-style-type: none"> • maintenance and repairs; • upgrades/improvements 	<p>Expense: Repairs and maintenance that do not increase the useful life of the asset.</p> <p>Capitalize: Additional components, upgrades and renovations that increase the useful life and/or service capacity of the asset.</p>

E. Thresholds for Capitalization

1. Expenditures for assets that have an initial useful life greater than a single reporting period shall be capitalized according to the following thresholds:

	Useful Life	Threshold
Tangible assets	Greater than a single reporting period	\$10,000 and greater per individual asset.
Intangible assets Software licenses and applications	Greater than a single reporting period	\$50,000 and greater per program/application or for licenses purchased en mass.
Intangible assets- Easements	Greater than a single reporting period	\$100,000 and greater per easement.
Capital projects	At least 10 years	\$100,000 and greater.

2. Asset purchases below the thresholds shall be recognized as operating expenses.

F. Estimated Useful Life and Depreciation/Amortization Method

1. The estimated useful life of an asset is the period during which a capital asset provides service. Fauquier County follows the Government Finance Officers Association recommended practice of estimating the useful lives of capital assets by taking into account the following factors:
 - a. Quality – Similar assets may differ substantially in quality (and hence their useful lives) because of differences in materials, design, and workmanship.
 - b. Application – The useful life of a given type of capital asset may vary significantly depending upon its intended use.
 - c. Environment – Environmental differences among governments can have an important impact on the useful lives of their respective capital assets.
2. Life estimates are required for all classes except land, intangible assets that have indefinite useful lives, works of art, historical treasures, and similar assets exempt from capitalization. Land use rights acquired in a transaction that did not involve the underlying property should be reported as intangible assets, if they meet such description.
3. Industry guidelines are used to estimate useful lives of capital assets. Any extended life resulting from a major change in the asset unit is specified at the time of the change. Upgrades and renovations must add to the useful life of the original asset, if capitalized as part of a larger asset.

4. The following useful life guidelines apply to the primary asset classes:

Asset Class	Years
Buildings and improvements	40 – 45
Infrastructure	15 – 50
Machinery and equipment	5 – 15
Vehicles - automobiles, vans, motorized equipment	5
Vehicles - buses and trucks	10
Intangible assets	3 – 5

5. Depreciation and amortization are calculated and recorded annually to allocate the expense associated with the acquisition of an asset over its estimated useful life, except for assets that have an indefinite useful life. The method used is the straight line method with the modified half-year convention.

G. Asset Impairment

1. Each department shall be responsible for reporting asset impairments to the Finance Department. A capital asset is considered impaired when its useful life/service utility has declined significantly and unexpectedly.
2. Capital asset impairments most often result from one of the following events or changes in circumstances:
 - a. Physical damage where action would be needed to restore lost service utility
 - b. Changes in laws, regulations, or other environmental factors that negatively affect service utility
 - c. Technological developments that negatively affect service utility, or evidence of obsolescence
 - d. A change in the manner or duration of use of a capital asset that negatively affects its service utility
 - e. Stoppage of construction
 - f. Stoppage of development (for internally generated intangible assets)
3. Temporary declines in service utility would not constitute impairment. The definition of impairment requires that the change in service utility be both significant and unexpected. Upon determination that an asset is impaired, an estimate of the percentage of lost service utility shall be provided to the Finance Department so that a corresponding reduction in the asset's book value may be recorded.

V. Roles and Responsibilities

A. Departments

1. Verify the location and service capability of the department's capital assets annually.
2. Report any significant and unexpected decline in the useful life or service utility of an asset to the Finance Department.
3. Report any changes in assets (additions, deletions, transfers) on the Capital Asset Maintenance Form (Appendix B) annually to the Finance Department.

B. Finance Department

1. Record acquisition of assets, deletions, and transfers from purchase orders, accounts payable records, and information provided by departments.
2. Conduct an annual inventory to accurately account for all capital assets.
3. Perform physical inventory and inspection of assets on a selected basis.
4. Perform inspection of assets purchased with Federal funds on at least a biennial basis.
5. Compute and record depreciation and amortization expense annually for the County and Schools in their respective general ledger codes.
6. Reduce the book value of impaired assets as necessary.
7. Comply with the requirements of the Virginia Auditor of Public Accounts, federal and state grants, and GAAP as prescribed by this policy.
8. Report annual depreciation and amortization expense and book value of capital assets in the Comprehensive Annual Financial Report.
9. Furnish appropriate IRS tax forms and letters of acknowledgement to donors or donor organizations who provide donations to County departments.

Appendix A: Instructions and forms for capital assets acquired by gift or donation

A. Assets acquired by gift or donation

1. **Motor Vehicles:** The donation of motor vehicles has tax implications for the donor and reporting requirements to the Internal Revenue Service for the donee. The Vehicle Donation Form must be completed at the time of the donations and forwarded to the Accounts Payable Manager for preparation of IRS Form 1098C and timely filing to the IRS.
2. **All Other Capital Assets:** Donations of real property must be approved and accepted by the Fauquier County Board of Supervisors or the Fauquier County School Board pursuant §15.2-1803 of the Code of Virginia.

Donations of capital assets that have an acquisition value above the capitalization threshold must also be approved and accepted by the appropriate governing body.

The Fauquier County Grant Management policy provides additional procedures for handling donations to the County. Please refer to the Grant Management Policy when considering donations.

The Capital Asset Donation Form must be completed and a copy provided to the Finance Department to ensure update to the Capital Asset module in the Bright accounting system.

The Finance department shall prepare and send a letter acknowledging receipt of the donation in accordance with IRS guidelines to furnish to the donor. A copy shall be provided to the department receiving the donated assets. The letter shall include:

- Donor or donor organization
- Date of the donation
- Description (but not value) of the donated capital assets
NOTE: The value and requirement to substantiate the value of assets donated are the responsibility of the donor or donor organization. Values of donated items are to be determined with no guidance or assistance from County or School division personnel.
- The statement that no goods or services were exchanged for the donation.

Instructions for the Vehicle Donation Form

1. Complete the Vehicle Donation Form for all vehicle donations regardless of value at the time of donation.
 - A. Donor Information: Complete the donor's first and last name, address, and telephone number and email address.
 - B. Vehicle Information: Enter the date of contribution, make, model, year, VIN #, odometer reading and claimed value of the vehicle donated.

Claimed Value: If the claimed value is more than \$500, the donor must provide documentation, such as appraisal value from a reputable valuing company (e.g. Kelley Blue Book, NADA, etc.) that substantiates the claimed value **AND** complete IRS Form W-9, Request for Tax Payer Identification Number.

Staff Use Only: Enter information on how the vehicle will be used, whether goods or services were exchanged for the vehicle, or if the vehicle will be sold.
 - C. Acknowledgement of Receipt and Donation: Both the staff member receiving the donated vehicle and the donor must read, sign and date the acknowledgement statements.
2. Collect the following from the Donor:
 - a. Title: signed over to Fauquier County Board of Supervisors or Fauquier County School Board.
 - b. For vehicles with claimed value over \$500: Documentation regarding the value of the vehicle **AND** IRS Form W-9, Request for Taxpayer Identification Number and Certification.
3. Copy the form and provide a copy to the donor as documentation of their donation. Forward the original Vehicle Donation Form, and if applicable, documentation substantiating value and IRS form W-9 within seven (7) days to the Finance Department, Attention: Accounts Payable Manager.
4. The Accounts Payable Manager will review the Vehicle Donation Form and documentation. For donations with tax consequences, the Accounts Payable Manager will prepare IRS Form 1098C, mail a copy to the donor within 30 days of the contribution, and submit it to the IRS according to its deadline. A copy will be kept on file in the Finance department for seven (7) years.



FAUQUIER COUNTY GOVERNMENT & PUBLIC SCHOOLS VEHICLE DONATION FORM



SECTION A: DONOR INFORMATION

Donor's First and Last Name _____

Telephone # _____

Address _____

Email address _____

SECTION B: VEHICLE INFORMATION

Date of Contribution _____ Title Number _____

Make and Model _____

Year _____

VIN # _____

Odometer Reading _____

Donor's Claimed Value _____

NOTE: If the claimed value is more than \$500, please complete form W-9 form and provide documentation substantiating the claimed value.

STAFF USE ONLY

How will the vehicle be used? For training/educational purposes Sold Other (Please describe) _____

Were goods/services provided in exchange for the vehicle? YES NO

If YES, value of goods/services received: _____

If, YES please describe the goods and services _____

If sold, please enter proceeds: _____

Title Number signed over _____

SECTION C: ACKNOWLEDGEMENT OF RECEIPT AND DONATION OF VEHICLE

I have received and examined the donated property and have collected the appropriate documentation in accordance with the requirements of form.

Receiving staff member _____ Date _____

I certify that I have legal rights to the property donated to Fauquier County Government and Public Schools and that I am responsible for substantiating the claimed value of the donated vehicle noted on this form.

Donor's Signature _____ Date _____

Thank you for your donation to Fauquier County Government & Public Schools. If tax forms are required, they will be furnished within 30 days.

Instructions for the Capital Asset Donation Form

1. Complete the Donation form at the time of donation. Please ensure that the capital assets being donated are above the capitalization threshold noted in Section E of this policy. Enter the department receiving the donation, the fiscal year, and the contact person within the department.
 - A. Donor, Address, Phone, and Email: The donor should complete or provide the information to complete this portion of the form.
 - B. Description of Capital Assets Donated: A description of the capital assets donated should be listed. The value should be the value of the asset at the date it is donated. ***NOTE: It is the donor's responsibility to determine the value of the items donated for any IRS reporting purposes.***
 - C. Acknowledgement of Receipt and Donation: Both the staff member receiving the donated assets and the donor must read, sign and date the acknowledgement statements.
2. Copy the form and provide a copy to the donor as documentation of their donation. Forward the original Capital Asset Donation Form within seven (7) days to the Finance Department, Attention: Financial Services Division Chief.

FOR FINANCE COMMITTEE REVIEW



FAUQUIER COUNTY GOVERNMENT & PUBLIC SCHOOLS CAPITAL ASSET DONATION FORM



Department _____ Fiscal Year _____ Contact Person _____

SECTION A: TO BE COMPLETED/PROVIDED BY THE DONOR

Donor Name/Organization: _____

Address _____

City _____ State _____ Zip Code _____

Country _____

Phone Number _____ Email Address _____

SECTION B: DONATION

Item	Description of Capital Assets Donated	Value at Acquisition
1		\$0.00
2		\$0.00
3		\$0.00
4		\$0.00
5		\$0.00
6		\$0.00
7		\$0.00
8		\$0.00
9		\$0.00
	Total:	\$0.00

SECTION C: ACKNOWLEDGEMENT OF RECEIPT AND DONATION

I have received and examined the donated property and have collected the appropriate documentation in accordance with the requirements of this form. To the best of my knowledge the above goods and/or services were donated in support of the department and are allowable per the approved budget.

I certify that I have legal rights to the property donated to Fauquier County Government and Public Schools and that I am responsible for substantiating any claimed value of the donated items noted on this form for IRS reporting purposes.

Receiving Staff Signature _____ Date _____ Donor's Signature _____ Date _____

Thank you for your donation to Fauquier County Government & Public Schools. No goods or services were given in return for your donation and your support is greatly appreciated. Please maintain a copy of this form as documentation of receipt of your donation.

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Capital Asset Donation form will be inserted here.

FOR FINANCE COMMITTEE REVIEW

Appendix B: Instructions and Capital Asset Maintenance Form

For each asset on the Capital Asset Inventory Listing:

1. Verify the description and serial numbers for accuracy. If correction is needed, please note the correction on the listing or attach a separate page detailing changes to be made.
2. Physically locate each asset and assess each asset's service capability.
3. Sign and date each page of the Capital Asset Inventory to indicate verification and assessment of the assets on the listing. (NOTE: Signed pages are required even if there have been no changes during the fiscal year).
4. Complete, sign, and date the Capital Asset Maintenance Form for asset additions, deletions, and transfers. (NOTE: A signed form is required even if there have no changes during the fiscal year. If there are no changes, please indicate so in the comments section of the form).

A. Additions (purchases and donations, including proffered capital assets)

- a. Description – Enter the description of the asset with sufficient detail (i.e. year, make, model, color).
- b. Serial # – Provide the serial number from the item itself.
- c. Acquisition or Donation Date – Date the item was purchased or donated.
- d. Cost or Acquisition Value – For purchases, cost is the total cost of the asset purchased, including shipping & handling, set-up etc. For donations and proffers, acquisition value is the value of the asset at the date it is acquired. Include documentation on acquisition value such as a letter or documentation from the donor specifying the stated value and how it was determined.
- e. Expenditure Code Charged – Expenditure account number the item was charged to.
- f. Donor – For donations, indicate the name of the donor.

B. Transfers from another department

- g. Description – Enter the description of the asset with sufficient detail (i.e. year, make, model, color).

- a. Asset # – Enter the asset number from the Capital Asset Inventory listing, if available.
- b. Transfer Date – Enter the date the asset was received.
- c. Cost – Enter the cost from the Capital Asset Inventory Listing, if available.
- d. Transferred from – Enter the name of the department transferring the asset.

C. Deletions

- a. Description – Enter the description from the Capital Asset Inventory listing.
- b. Asset # – Enter the asset number from the Capital Asset Inventory Listing.
- c. Deletion Date – Specify the disposition date of the item.
- d. Proceeds from Sale – If asset was sold, provide documentation (i.e. check copy) on any amounts received from sale.
- e. Reason for the deletion – Select the reason the asset needs to be removed from the module. Chose form the following reasons: Sold, Obsolete/No longer in use, Damaged and unable to be repaired, Donated/Traded to external party, or Stolen.

D. Transfers to another department

- a. Description – Enter the description on the Capital Asset Inventory listing.
- b. Asset # – Enter the asset number from the Capital Asset Inventory Listing.
- c. Transfer Date – Enter the date the asset was transferred.
- d. Cost – Enter the original cost from the Capital Asset Inventory Listing.
- e. Transferred to – Enter the name of the department receiving the asset.

E. Comments- Enter any comments or additional information regarding items listed in any of the sections of the form. If there are no changes during the fiscal year, enter *No changes this fiscal year* in the comment section.

5. Sign, date, and return the form- Sign and date the form electronically or manually. Return the form (along with any supporting documentation) via email or mail to the Finance department by the deadline.

FOR FINANCE COMMITTEE REVIEW



FAUQUIER COUNTY GOVERNMENT & PUBLIC SCHOOLS CAPITAL ASSET MAINTENANCE FORM



Department _____ Fiscal Year _____ Contact Person _____

Purchases

Description	Serial #	Acquisition Date	Cost	Expenditure code charged

Donations/ Proffered Capital Assets

Description	Serial #	Donation Date	Value at Acquisition	Donor

Transfers from another department

Description	Asset #	Transfer Date	Cost	Transfer from

Deletions

Description	Asset #	Deletion Date	Proceeds from sale (if applicable)	Reason for deletion

Transfers to another department

Description	Asset #	Transfer Date	Cost	Transfer to

Please attach documentation to support: Purchases (PO and Invoice) and Donations (documentation that supports the value of the donation).

Comments

Signature _____

Date/Time Field _____