



SUPREME COURT OF APPEALS OF WEST VIRGINIA

Asset Management Policy and Procedure Finance Division

1. **Scope and Purpose.**

The Supreme Court of Appeals of West Virginia (“the Court”) establishes this policy to prescribe the fiscal rules for asset management in all facets of its business. Accordingly, while this policy is patterned in large part after the State of West Virginia Department of Administration’s Surplus Property Operations Manual, it is designed to establish a distinct set of policies, procedures, and guidelines for Court asset management. As such, this policy applies to all employees of the Supreme Court of Appeals, including all Judicial Officers and Employees of the Supreme Court, Circuit Courts, Probation Officers, Family Courts, Magistrate Courts, the Administrative Office, Board of Law Examiners, Office of Disciplinary Counsel, the Supreme Court of Appeals’ Clerk’s Office, Circuit Clerks and their employees, and the Judicial Investigation Commission.

To the extent these rules fail to provide the adequate guidance in addressing or resolving a specific problem or question related to asset management, the Administrative Director and Chief Financial Officer (“CFO”) shall address the matter and, with approval of the Court, establish the fiscal rules to be followed in these special situations.

Breaches of this policy and of all State and other standards referenced in this policy may result in disciplinary or other corrective action.

2. **Definition** . For the purpose of this policy and procedures, key terms are defined as follows.

(a) *Commodities*: Supplies, materials, equipment, contractual services and any other articles or things used by or furnished to the Court.

(b) *Expendable Commodities*: Commodities which, when used in the ordinary course of business, will become consumed or of no market value within the period of one year or less.

(c) *Tangible Asset*: An asset that has physical form. Tangible Assets include both fixed assets, such as machinery and buildings, and current assets, such as inventory.

(d) *Reportable Asset*: A Tangible Asset, excluding Expendable Commodities as defined, that has an original acquisition cost of \$1,000 or more and a useful life of one year or longer.

(e) *Non-Reportable Asset*: A Tangible Asset that is valued at less than \$1,000 or has a useful life of less than one year, or an asset that is expendable in nature.

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3. Responsibilities. The following are the primary responsibilities involved in managing Court assets.

- (a) The Court is responsible for every asset under its jurisdiction, regardless of its state (removable or fixed), origin, or acquisition cost.
- (b) The Court is responsible for maintaining assets from the date of purchase of the asset to the date of retirement of the asset, including but not limited to keeping equipment secure, entering assets into the *wvOASIS* accounting system where required by this policy, conducting physical inventories, retiring assets properly, and training employees on asset management, in accordance with this policy, and applicable State laws and standards.
- (c) To meet these responsibilities, the Court designates the Finance Division with the primary responsibility to manage its assets and, accordingly, the CFO will designate a Fixed Asset Coordinator (“the Coordinator”) to manage all responsibilities with regard to assets.

4. Management and Handling of Reportable Assets. The Finance Division is responsible to meet the following standards for managing and handling Reportable Assets. These requirements incorporate standards outlined in the State Surplus Property Operations Manual: http://www.state.wv.us/admin/purchase/surplus/surplus_operations_manual.pdf

- (a) **Reportable Asset Further Defined.** Any Tangible Asset, excluding Expendable Commodities as defined, that has an original acquisition cost of \$1,000 or more and a useful life of one year or longer must be entered into the *wvOASIS* Fixed Asset Module and will be referred to herein as “Reportable Assets.” The Coordinator may enter assets that do not meet the definition of Reportable Assets into the Fixed Asset Module, but he or she is not required to do so. Any asset entered into the Fixed Asset Module will be treated as a Reportable Asset for procedural purposes, whether or not the property meets the definition of Reportable Assets above.
- (b) **Exceptions.** The Coordinator must enter the following Commodities into the Fixed Asset Module and, as described in this policy, they will be considered Reportable Assets even if not within the definition of Reportable Assets above.
- (c) Firearms regardless of the cost.
- (d) All computers (including laptops and central processing units [“CPU”]) with an acquisition cost of \$500 or more.

5. Acquisition Cost.

- (a) The acquisition cost of assets is determined as the actual cost of that asset as evidenced by invoices or purchase orders.
- (b) The Coordinator can also determine acquisition cost by a reasonable method of estimation in the event that no invoice or purchase order records exist. If the Coordinator relies upon an estimation method to determine the acquisition cost of an asset, the

Coordinator must thoroughly document the estimation method used and the documentation related to the estimate shall be maintained in the appropriate file for audit purposes.

6. Group Purchase/Unit Cost.

(a) **Per Item Basis.** Assets should be inventoried on a “per item” basis. Individual items making one working component are to be inventoried as one asset. In the event, however, that an asset was purchased for the purpose of enhancing or upgrading an item, the cost of the upgrade can be entered into the Fixed Asset Module as a betterment.

(b) **Group Asset Purchases.** Group purchases of assets shall not be recorded in the Fixed Asset Module in the aggregate, but as individual assets if the individual asset has an original, unit acquisition cost of \$1,000 or more and has a useful life of one year or longer, that is, if the individual asset is a Reportable Asset. Individual Assets that are also Reportable Assets shall bear a separate numbered inventory tag.

(c) **Exception.** An exception to the standards outlined in this policy section is Library Holdings. For Library Holdings, at the end of each fiscal year, the Coordinator shall account for all books purchased during that fiscal year as a new asset (i.e. one lot of books), and enter this information in the Fixed Asset Module accordingly.

7. Donations.

(a) **Donated Asset Defined.** An asset is a “Donated Asset” if it is acquired as a gift from an individual or organization. Donated Assets are to be tagged and included in the Fixed Asset Module if the Donated Asset is valued at \$1,000 or more on the date the gift is given and has a useful life of one year or longer, that is, if the Donated Asset is a Reportable Asset.

(b) **Valuation of Donated Assets.** Donated Assets are valued at fair market value on the date the gift is given.

8. Non-Reportable Assets.

Non-Reportable Assets are not required to be entered into the Fixed Asset Module.

9. Computer Software/Modular Furniture.

(a) **Computer Software.** Computer software is not a Tangible Asset; therefore, it is also a Non-Reportable Asset.

(b) **Modular Furniture.** Modular furniture is not considered a Reportable Asset if each unit separately purchased does not cost more than \$1,000 per piece. Modular furniture that costs more than \$1,000 per piece is considered a Reportable Asset and must be placed in the Fixed Asset Module.

10. Identification Tags.

- (a) All Reportable Assets must have a numbered identification tag affixed to the asset.
- (b) The Coordinator, or designee, will be responsible for obtaining and placing the proper tags on all Reportable Assets for which the Coordinator or designee is responsible.
- (c) The Coordinator must ensure that identification tags are placed on all Reportable Assets in such a manner that the tag can be easily seen and read.
- (d) The Coordinator is not required to tag Non-Reportable Assets.

11. Added Property. When the Court acquires Reportable Assets, the Coordinator should enter the assets into the Fixed Asset Module and label the assets with a numbered identification tag as soon as the vendor's invoice has been paid.

12. Corrections to Assets.

- (a) The Coordinator is able to make corrections to data entered into the Fixed Asset Module with review and approval of the correction made by a separate employee within the Finance Division. Corrections are generally required to be made within thirty (30) days from entry of the asset into the Fixed Asset Module.
- (b) After the 30-day grace period, all corrections to the Fixed Asset Module must be submitted on a Fixed Asset Modification Form to the Surplus Property Unit for review and approval of the State Surplus Property Unit. If approved by the Surplus Property Unit, the Fixed Asset Modification will be completed and the requested changes will be made in the Fixed Asset Module.

13. Property/Equipment Transfer. The transfer of Reportable Assets between Court divisions/departments of the Court without approval from the Coordinator is prohibited.

14. Physical Inventory.

- (a) The Coordinator is responsible to ensure that a complete physical inventory of Court assets is conducted once every three years. This physical inventory process must be completed by June 30th of the applicable year and must include all Court Reportable Assets.
- (b) In addition to the three-year inventory described above, it is recommended that a physical inventory be taken when any of the following occurs.
 - The CFO names a new Fixed Asset Coordinator that assumes responsibility for the Court's assets.
 - An organizational change occurs affecting the distribution of assets assigned to a particular location or department.

15. Disposition of Assets.

(a) The Coordinator is responsible to account for the disposition of all Reportable Assets no longer needed or in use by the Court.

(b) The Coordinator is responsible to approve the disposition of all Reportable Assets, designate one of the following methods of disposition, and retire the asset from the Fixed Asset Module.

- Turn over to WV Surplus Property
- Sell on-site
- Trade-in
- Sell for scrap
- Recycle/dispose as waste
- Lost asset
- Stolen asset
- Destroyed asset
- Retire to the WV Office of Technology

(a) The disposition of Non-Reportable Assets (such as office chair or filing cabinet) should be communicated to the Director of Facilities and Fleet Management.

16. Ethical standards for judicial officers and employees

(a) Persons subject to policy: This provisions of this section apply to all employees of the Supreme Court of Appeals, including all Judicial Officers and Employees of Circuit Courts, Probation Officers, Family Courts, Magistrate Courts, the Administrative Office, Board of Law Examiners, Office of Disciplinary Counsel, the Supreme Court of Appeals' Clerk's Office, Circuit Clerks and their employees, and the Judicial Investigation Commission.

(b) Use of public office for private gain:

- i. A person subject to this policy may not knowingly and intentionally use his or her office or the prestige of his or her office for his or her own private gain or that of another person. Incidental use of equipment or resources available to a public official or public employee by virtue of his or her position for personal or business purposes resulting in de minimis private gain does not constitute use of public office for private gain under this subsection. The performance of usual and customary duties associated with the office or position or the advancement of public policy goals or constituent services, without compensation, does not constitute the use of prestige of office for private gain.

(c) Removal: Public officials and public employees may not remove government property from the workplace for their private benefit or that of another person.

(d) Improper Use: Public officials and public employees may not use government property for personal projects or activities that result in private gain.

- (e) This section does not apply to the de minimis use of government property.

The details of this policy and all Court policies are subject to modification by the Court at any time as situations, standards, and legal requirements may change. The Court will ensure that all employees are notified of any such modification in a timely fashion.