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From the desk of:  
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## MEMORANDUM

TO: All AMS User

FROM: Finance Department  
Budget Division, Susan Revill, Manager *Susan Revill*  
General Accounting Division, Roxane Rush, Manager *Roxane Rush*

DATE: October 18, 2019

SUBJECT: Procedural Changes Effective 10/01/2019 for FY2020

As we begin this new fiscal year 2020, it is critical that we make all AMS Users that enter purchasing and/or payment documents into AMS Financial aware of a few items. Some of these things are not new but a reminder while others are a change to what you have seen in prior years.

- The **threshold amount for Accountable Equipment** (object 6258) has increased for FY2020. The description for this object is now, "Expenditures for any non-consumable items with a unit cost less than \$10,000 and a useful life of one or more years...".
- When entering purchasing/payment documents that will be charged to an object in the 8000 series (**Capital**), please be aware these objects are reserved for expenditures that are capital in nature. The parameters for capital expenditures are non-consumable items with a unit cost over \$10,000 and a useful life of over one year. There are some exceptions to this that include:
  - **CIP** (Construction in Process) – purchases/payments charged to object codes: 8105 – 8135; 8205 – 8275; 8701 – 8796. These purchases/payments may be less than the threshold amount as the combined total of these project expenditures will be grouped together as a fixed asset for depreciation and tracking purposes.
  - Purchases/payments of **multiple line items** that are all necessary components of a capital asset. An example might be the purchase of a computer server (object 8420) at a unit cost of \$30,000. On the same purchase, you may have additional line items for associated equipment, installation, etc. These should be charged

to the same object code as they are all related to the asset and contribute to the overall upgrade/improvement. The same would be appropriate for the purchase of land (object 8015). The ancillary expenditures after the initial purchase associated with the acquisition, such as attorney fees, professional services, land studies, etc. should also be charged to 8015, regardless of the dollar amount, as they will be grouped with the land acquisition. *Exceptions are expenditures for object 8020 (Easements & Right-of-Way) and object 8024 (Land Improvements or Development (Depreciating)).* When determining if a purchase/payment should be charged to a capital object, consider whether or not we need more than one part to make it work. If the answer is yes, and the combination of those parts totals more than \$10,000 – it is capital.

- When is it appropriate to use a **non-capital** object for expenditures over \$10,000 for assets with a useful life of over one year? An example of this would be if DPS purchases a group of laptops, light bars, roll cages, etc. These items may be affixed to a capital asset (police car) but there is no way to know which laptop or light bar was installed in which vehicle. These items should be purchased using an operating object code such as 6258 or 6207. An example might be DPS has \$50,000 in their capital budget for the purchase of a specially equipped vehicle. We would maintain the cost of the vehicle in the capital budget (8605 or 8610). That may be \$35,000. The additional funding is to purchase the other items that make it a specially equipped vehicle (light bar, laptop, roll cage). These items should be purchased as operating items. If the funds you intend to utilize for purchases such as this have been appropriated into your Capital budget, please contact Finance/Budget to request a budget transfer to move the portion of funds necessary to your Operating budget for the purchase.
- **Surplus:** If your department gets rid of ANYTHING, a list with the description, tag number, serial number, model, any other identifying information, must be submitted to the Fixed Asset Accountant in Finance's General Accounting Division. This is critical to ensuring our inventory of fixed assets is accurate and up to date.
- **Real Estate:** When a new building is placed into service (either bought or built), the Fixed Asset Accountant in Finance's General Accounting Division must be notified.
- **Disposals:** When an office moves locations, the Fixed Asset Accountant in Finance's General Accounting Division must be notified as the furniture and equipment location must be updated. If any furniture is disposed of, this must be reported also so it can be removed from the list of fixed assets.
- **Leases:** When a lease is completed, it must be finalized in AMS. If you have information on leases that have expired, please notify the Fixed Asset Accountant in Finance's General Accounting Division. Additionally, if you have entered into a new lease, please forward that information along also.
- **Tagging:** Each department is responsible for tagging capital assets valued at more than \$10,000 as well as keeping an Accountable Equipment Inventory.

- At some point in FY2020, the Fixed Asset Accountant in Finance's General Accounting Division will be sending a list to each department that reflects the fixed assets (not accountable equipment) currently reported for that department. It is requested that the list be reviewed closely. Any items that have been disposed of should be reported as well as any items that are in the department's possession not on the list. There may very well be items on the list you receive that have a cost that is below the capital threshold. The current fixed asset policy was adopted in FY2015 and many assets were acquired well before then.

If you have any questions or need clarification on any of these items, please feel free to contact the Finance Department.

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Kimberly Kilgore, Fixed Asset Accountant, [kimberly.kilgore@cobbcounty.org](mailto:kimberly.kilgore@cobbcounty.org), x1556

Thank you for your assistance with these important financial reporting and fixed asset accounting items.