

**TO: ALL COUNTY PERSONNEL**

**FROM: VERDENIA C. BAKER  
COUNTY ADMINISTRATOR**

**PREPARED BY: OFFICE OF FINANCIAL MANAGEMENT & BUDGET (OFMB)**

**SUBJECT: FIXED ASSETS MANAGEMENT REAL PROPERTY ASSETS**

**PPM #: CW-O-037**

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**ISSUE DATE**

**November 13, 2019**

**EFFECTIVE DATE**

**November 13, 2019**

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**PURPOSE:**

To establish guidelines for maintaining records on all real property assets, whose title vests with the Board of County Commissioners, purchased, constructed by, acquired by condemnation proceedings, by trade or exchange, or by other means, or donated to Palm Beach County.

**UPDATES:**

Future updates to this PPM are the responsibility of the Director of the OFMB.

**AUTHORITY:**

- Florida Statutes, Chapter 274, as may be amended
- PPM #: CW-F-014 Fixed Asset Capitalization Levels, Valuation Methods and Depreciable Lives, as may be amended
- PPM #: CW-F-054 Capital Projects Management Oversight, as may be amended
- PPM #: CW-F-062 Construction Work-in-Progress (CWIP) Accounting Policies, as may be amended
- PPM #: CW-O-074 Tags, Registrations and Titles for County Vehicles, as may be amended

**DEFINITIONS:**

**Building:** A structure, whether purchased, constructed, donated, acquired by condemnation proceedings or by trade or exchange, or by other means, whose title vests with the Board of County Commissioners of Palm Beach County.

**Building Improvements:** An addition to an existing structure which adds space as measured by square footage. Total cost of a building improvement must meet the Countywide capitalization criteria established in PPM #CW-F-014 and the requirements set forth in PPMs #CW-F-054 and CW-F-062.

**Improvements Other Than Buildings (IOTB):** A non-building improvement, including but not limited to, sitework, fencing, irrigation systems, landscaping, infrastructure assets such as lighting systems, roads, bridges, pathways, catwalks, utility systems and improvements, which is not a repair or replacement of an existing asset, with a life expectancy of more than one year. Total cost of an IOTB must meet capitalization criteria and the capital project management and construction work-in-progress requirements set forth in Countywide policies and procedures. [Note: Due to limited life expectancy, beach restoration/renourishment is repair and maintenance, and not IOTB.]

**Impairment:** A financially significant, unexpected (not part of the asset's normal life cycle) decline in the service utility of a capital asset, i.e., the expedited deterioration resulting from hurricane damage or mold growth. An impairment may be a permanent or temporary decline in service utility.

**Land:** A parcel of real property, including rights-of-way and easements, whether purchased, or acquired by conveyance, foreclosure, donation or other means, whose title vests with the Board of County Commissioners.

**Leasehold Improvement:** A building improvement or IOTB to a facility which is leased by the County, whose life expectancy is at least one year, and which will be abandoned when the facility is vacated.

**Structure:** Includes, but is not limited to, site-built or non-portable office buildings, parking garages, warehouse buildings, maintenance buildings, picnic shelters, restrooms, storage sheds, and livestock stables with a life expectancy of at least one year. [Note: Mobile office trailers are considered vehicles, and are capitalized as equipment, not structures. See PPM #CW-O-074, Tags, Registrations and Titles for County Vehicles.]

## **POLICY:**

In order to comply with external reporting requirements and maintain specific control and accountability, a detail of all real property assets whose title vests with the Board of County Commissioners, except real property maintained by the Department of Airports, will be maintained by separate, unique asset numbers in the County's centralized financial management computer system.

Any activity on or to a real property asset which affects its financial statement presentation or the manner or extent to which the asset can be identified is to be reported to the Fixed Assets Management Office (FAMO).

Any real property transaction requiring action by the Board of County Commissioners must be reviewed by FAMO as part of the normal agenda review process, and must include appropriate asset number(s), where known, in the body of the agenda summary.

## **RESPONSIBILITIES AND PROCEDURES:**

### **Fixed Assets Management Office**

1. Maintain the subsidiary ledger of real property fixed assets whose title vests with the Board of County Commissioners.
2. Assign asset numbers and input real property assets into the County's centralized financial management computer system based upon appropriate authorized documentation and financial data received from the Facilities Development & Operations Department, the Department of Housing & Economic Sustainability (DHES), OFMB, or other responsible real estate operation of the County which may include but not be limited to the Water Utilities Department (WUD), Engineering, or a Municipal Service Taxing Unit (MSTU) for real property assets such as rights-of-way, easements, well fields, retention ponds, etc., and/or property transfers to and from one MSTU to another MSTU or some other governmental entity.
3. Retire from the official property records real property assets that have been disposed of based upon appropriate authorization provided by the Facilities Development & Operations Department or other responsible real estate operation of the County.
4. Set up and maintain a suitably secure system of permanent real property asset files, in accordance with established records retention schedules, consisting of but not limited to the following documentation:
  - a. Original approved acquisition contract or other evidence of conveyance (provide copy(ies) if original documentation is not available)
  - b. Certified copy of resolution adopted by the Board of County Commissioners accepting title
  - c. Original escrow closing statement
  - d. Original deed
  - e. Assigned asset number(s)
  - f. Applicable Property Appraiser property control number(s) (PCN(s)) -- whole or a portion of -- and the Property Appraiser's current valuation assessment (documentation of property transactions involving modifications to the property control number(s) shall include a supersession history and chain-of-ownership or custody so FAMO can update the asset record(s) accordingly)
  - g. Copy of final judgment awarding possession and showing PCN(s), in all cases of Eminent Domain

Such documentation shall be provided to FAMO within 30 days after conveyance of title or closing of escrow by the responsible real estate operation(s) of the County submitting a completed Form A (**Attachment A**).

A responsible real estate operation of the County may provide any other documentation which is deemed relevant and must update FAMO on a timely basis pertaining to the status of real property assets such as the disposal, transfer, or other modification including Notification of Impairment – submit Form B (**Attachment B**) to FAMO in order to declare and disclose the impaired real property asset (facility) attaching applicable documentation, as necessary.

Pertaining to real property assets funded in whole or in part by a bond or bonds, or by a state or federal grant or grants, the responsible real estate operation of the County should confer with OFMB's Debt Manager or Grant Coordinator and Grantor Agency as the specific case warrants in order to provide in its documentation submitted to FAMO the unique identifying characteristics of the funding source(s) relating to the acquisition or disposal of such assets.

5. Provide listings of non-land real property assets to the Risk Management Department, as requested, for utilization in insurance valuation reporting.

#### **Facilities Development & Operations Department and/or Other Responsible Real Estate Operation of the County**

**(Note: Facilities may work jointly on a project with a department such as DHES whereby one is the lead department while the other is in an administrative role. In cases such as these, Facilities is responsible for meeting the requirements set forth below. In the event that other responsible real estate operations of the County act without the involvement of Facilities, then the respective operation, e.g., Engineering, Water Utilities, becomes responsible for meeting the requirements set forth below.)**

1. Maintain detailed working files on all County-owned real property, including documentation relating to improvements, easements, rights-of-way, deed covenants, conditions and restrictions, etc.
2. Convey to FAMO, in the form required by FAMO (see **Attachments A & B**), all of the documentation specified in “# 4.” above for safekeeping.
3. Make every reasonable effort to reconcile annually one-third of the Fixed Asset Real Property Master Listing (land and buildings), as part of a three-year perpetual cycle, to the official records of the Property Appraiser and resolve any discrepancies, with timely notification to FAMO.
4. Coordinate the prompt change of property control numbers, for example, subdividing a PCN into two or more PCNs, and ownership titles with the Property Appraiser, with timely notification to FAMO.

5. In cases whereby there is a working relationship between Facilities and DHES or other responsible real estate operation of the County pertaining to a real property project, there should be a written agreement such as a memorandum of understanding specifying their respective roles and responsibilities with an explanation for any delegation of authority to another responsible real estate operation of the County.
6. In the event that a responsible real estate operation other than Facilities acts in an independent manner with respect to real property assets, that respective operation must provide notification to Facilities in the form required by Facilities.
7. Upon acquisition of real property assets by DHES under the United States Department of Housing and Urban Development (HUD) regulations, which includes DHES coming into possession of real property by foreclosure and deed-in-lieu of foreclosure, DHES will coordinate the proper recordation and title transfer to the name of Palm Beach County within 60 days of title conveyance. Upon issuance of clear title to the Board of County Commissioners, original documentation is to be promptly conveyed to FAMO for permanent storage and DHES shall duly provide notification to Facilities in the form required by Facilities. In the event that any information contained therein is amended, adjusted, modified or updated thereafter, DHES shall immediately forward such documentation to FAMO and notify Facilities accordingly.
8. When DHES determines that it can dispose of real property assets acquired under HUD regulations, whether by sale or quit claim deed or other means, DHES shall notify FAMO and Facilities of its intent to seek approval from the Board of County Commissioners, including the proposed date for consideration by the Board. DHES shall forward a certified copy of the approved Agenda Item to FAMO for inclusion in the permanent asset file. Upon transfer of ownership of real property assets, DHES shall forward all original transaction documents to FAMO, providing notification to Facilities in the form required by Facilities, within 2 weeks of the transfer of ownership.



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**VERDENIA C. BAKER**  
**COUNTY ADMINISTRATOR**

**Supersession History**

1. PPM# CW-O-037, effective 10/01/90
2. PPM# CW-O-037, effective 12/01/91
3. PPM# CW-O-037, effective 04/01/93
4. PPM# CW-O-037, effective 08/01/93
5. PPM# CW-O-037, effective 01/12/01
6. PPM# CW-O-037, effective 01/01/08
7. PPM# CW-O-037, effective 05/06/14
8. PPM# CW-O-037, effective 07/10/19

**PALM BEACH COUNTY  
OFFICE OF FINANCIAL MANAGEMENT & BUDGET  
FIXED ASSETS MANAGEMENT OFFICE  
INTEROFFICE MEMORANDUM**

**Form A**

TO: Angelo DiPierro, Manager  
Fixed Assets Management Office

FROM:

DATE:

RE: Closing Binder for \_\_\_\_\_ (Name of Seller/Purchaser)

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The acquisition/sale /transfer/disposal or other such disposition of the specific property \_\_\_\_\_

(Provide a brief description and explanation, i.e., Unit 11, easement, etc.)

PCN(s) (whole or a portion of): \_\_\_\_\_

PCN(s) (supersession history, chain-of-ownership, custody): \_\_\_\_\_  
(Attach additional documentation, as necessary)

Budget Account No: Fund \_\_\_\_\_ Dept \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_

Purchase/Sale Price/Fair Market Value/Other-specify (Agrees with Final Settlement Due): \_\_\_\_\_

If not, please explain: \_\_\_\_\_

Closing Date: \_): \_\_\_\_\_

BCC Approval (include date and Board Item (e.g. R-20XY-1234) : \_\_\_\_\_

Funding (includes Agreement w/Party(ies) and Board Item (e.g. R20XY-1234) : \_\_\_\_\_

Custodian Code: \_\_\_\_\_

Location Code: \_\_\_\_\_

Location Description (physical address): \_\_\_\_\_

Please find attached the closing binder containing original documents for the acquisition of the property referenced above. Please acknowledge receipt of these documents by signing and returning one original counterpart of this memorandum to me.

Thank you for your assistance.

\_\_\_\_\_  
FAMO Staff Use Only  
(Initial and Date)  
Assigned Asset Number: \_\_\_\_\_

Acknowledgment:  
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Angelo DiPierro

Prepared by: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_  
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Date

Attachments: Closing Binder  
Original Document(s) Enclosed: (e.g., Statutory Warranty Deed, Title Policy, Agreement for Purchase and Sale, Seller and Buyer's Closing Statements, etc.)  
Copy(ies) of Documents Enclosed: (e.g., final judgment awarding possession for the eminent domain, etc.)

**PALM BEACH COUNTY  
OFFICE OF FINANCIAL MANAGEMENT & BUDGET  
FIXED ASSETS MANAGEMENT OFFICE  
INTEROFFICE MEMORANDUM**

**Form B**

TO: Angelo DiPierro, Manager  
Fixed Assets Management Office

FROM:

DATE:

RE \_\_\_\_\_ :Impairment(s) \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_  
(Name(s) of the impaired real property asset and Date of Impairment(s))

Case # (Fire-Rescue/Police/ Risk Management): \_\_\_\_\_

Insurance Proceeds (amount and date(s) filed/received or not yet received): \_\_\_\_\_

Asset Tag Number: \_\_\_\_\_

Impaired Asset to be replaced, rebuilt, etc. (briefly explain): \_\_\_\_\_

Serial Number (if applicable): \_\_\_\_\_

CWIP (Project # or Capital Project #): \_\_\_\_\_

Budget Account No: Fund \_\_\_\_\_ Dept \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_

Historical Cost: \_\_\_\_\_

Fair Market Value: \_\_\_\_\_

Location Code: \_\_\_\_\_

Location Description (physical address): \_\_\_\_\_

PCN(s): \_\_\_\_\_

[Note to Form Letter Preparer: (1) For bond and whole or partially grant funded real property assets, the Project Managing or Operating Department must notify OFMB's Debt Manager and the grantor agency/OFMB's Grant Coordinator of the impairment, respectively. (2) Attach additional documentation for any section of this form, as necessary, or to provide clarification.]

In accordance with PPM CW-F-014 (Fixed Asset Capitalization Levels, Valuation Methods and Depreciable Lives), FAMO will transmit the form letter to Finance's Accounting and Financial Reporting and Risk Management based on information received from the appropriate County Departments and Agencies.

FAMO Staff Use Only (Initial and Date) Prepared by: \_\_\_\_\_ Reviewed by: \_\_\_\_\_  
Insurance recoveries reported in subsequent years should be reported as program revenue, non operating revenue or an extraordinary item  
Capital asset included in CWIP or depreciable asset category: \_\_\_\_\_  
Total Impairment Loss \$ \_\_\_\_\_ in FY \_\_\_\_\_ Insurance Recovery \$ \_\_\_\_\_ in FY \_\_\_\_\_  
Impairment Loss Reported Net of the Associated Insurance Recovery \$ \_\_\_\_\_ in FY \_\_\_\_\_

Attachment(s): (please specify)