



**SIERRA COUNTY  
BOARD OF COUNTY COMMISSIONERS  
RESOLUTION NO. 2026-17**

**A RESOLUTION ADOPTING THE SIERRA COUNTY FIXED ASSET POLICY**

**WHEREAS**, the Sierra County Board of Commissioners met in a duly noticed, regular Commission meeting on February 17, 2026, at 10:00 A.M. in the Sierra County Administration Building, 1712 North Date Street, Truth or Consequences, NM 87901; and,

**WHEREAS**, the Board of County Commissioners is charged with the responsibility to safeguard, account for, and properly report all public property owned or controlled by Sierra County; and

**WHEREAS**, the Board finds it necessary and appropriate to formally adopt a comprehensive Fixed Asset Policy to establish uniform standards for the accounting, control, safeguarding, capitalization, inventory, transfer, and disposition of fixed assets; and

**WHEREAS**, the proposed Sierra County Fixed Asset Policy establishes standards consistent with NMSA 1978 §§ 12-6-5, 13-6-1, and 13-6-2, the Office of the State Auditor Rule (2.2.2 NMAC), NMAC 2.20.1, guidance issued by the Department of Finance and Administration, and applicable Governmental Accounting Standards Board statements; and

**WHEREAS**, the proposed policy applies to all departments, elected officials, boards, and employees of Sierra County, and to any agency or entity for which Sierra County serves as fiscal agent, to the extent the County has custody, accounting, or reporting responsibility for assets; and

**WHEREAS**, the Board finds that adoption of the Sierra County Fixed Asset Policy will promote accountability, transparency, statutory compliance, and sound financial management practices in connection with County property.

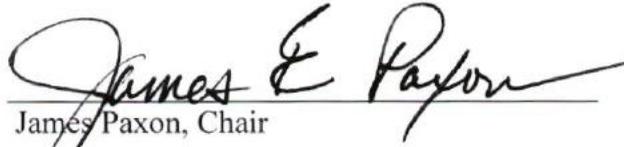
**NOW, THEREFORE, BE IT RESOLVED** by the Sierra County Board of County Commissioners that the Sierra County Fixed Asset Policy, attached hereto and incorporated as Exhibit A, is hereby adopted in its entirety and shall become effective immediately upon adoption of this Resolution.

**BE IT FURTHER RESOLVED** that the County Manager and Finance Director are authorized and directed to implement and administer the Policy, including issuance of any procedures or

supplements consistent with the Policy as necessary to ensure compliance, and that all elected officials and department heads shall comply with the provisions of the adopted Policy.

**APPROVED, ADOPTED, AND PASSED** this 17<sup>th</sup> day of February, 2026.

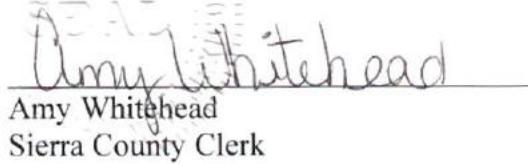
**BOARD OF COUNTY COMMISSIONERS  
SIERRA COUNTY, NEW MEXICO**

  
James Paxon, Chair

  
Hank Hopkins, Vice-Chair

  
Sandy Jones, Commissioner

Attest:

  
Amy Whitehead  
Sierra County Clerk



# **SIERRA COUNTY FIXED ASSET POLICY**

*Effective: February 17, 2026*

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# SIERRA COUNTY FIXED ASSET POLICY

## 1. PURPOSE AND AUTHORITY:

This policy establishes standards for the accounting, control, safeguarding, and reporting of fixed assets acquired by Sierra County. The policy is adopted pursuant to NMSA 1978 §§12-6-5, 13-6-1, and 13-6-2, and NMAC 2.2.2, and 2.20.1, guidance issued by the Department of Finance and Administration, and applicable Governmental Accounting Standards Board (GASB) statements.

## 2. SCOPE

This policy applies to all departments, elected officials, boards, and employees of Sierra County and to any agency or entity for which Sierra County serves as fiscal agent, to the extent the County has custody, accounting responsibility, or reporting responsibility for assets, and covers all capital assets, non-capital assets, sensitive assets, and infrastructure owned or controlled by the County.

## 3. DEFINITIONS:

### a. **Fixed Asset**

Any property or equipment that has an initial value to an agency, whether in cash or trade value, of more than the \$5,000 threshold set forth by state statute and New Mexico Administrative Code. It is not acquired for subsequent sale or consumption but for utilization during an agency's normal operations in producing and distributing goods or rendering services. The asset is expected to be used or held beyond the fiscal year in which it was acquired without being consumed by its use. Fixed assets include those assets constructed by agency personnel.

### b. **Non-capital / Minor Equipment / Sensitive assets**

Any property or material item with a cost below the capitalization threshold but with a useful life greater than one year and that is susceptible to loss, theft, or misuse. These are also items which will not lose their identity even if installed in other equipment.

- Non-capitalized fixed assets will be placed in the non-capital inventory control records.
- The purchase of non-capital / minor equipment / sensitive assets will be coded to the designated G/L account for non-capital as outlined by the Finance Department.
- Examples of non-capital / sensitive assets:
  - Firearms
  - Computer desktop / laptop
  - Printers, monitors, radios, power tools
  - Items requiring a title, plate, and registration under the capitalization threshold

### c. **Bulk Purchases**

Bulk purchases are items that individually fall below the capitalization threshold and shall not be capitalized unless the items are part of a single, integrated system that functions as one asset.

### d. **Asset Custodian**

The elected official, department head, or designee responsible for the care, control, and safeguarding of fixed assets and department inventory.

#### **4. ROLES AND RESPONSIBILITIES**

The Finance Department is responsible for overall administration of the fixed asset system. Elected Officials, Department heads, or their designees serve as Asset Custodians.

#### **5. POLICY ADMINISTRATION AND AMENDMENTS**

This policy may be amended by resolution of the Sierra County Board of County Commissioners.

#### **6. CAPITALIZATION**

##### **a. Capital threshold**

The County shall capitalize individual assets, meeting the following criteria per NMSA and NMAC:

- Historical cost of \$5,000 or more; and
- Estimated useful life exceeding one year
- Examples of capital assets:
  - Vehicles
  - Heavy equipment
  - IT servers
  - Infrastructure

##### **b. Grant funded assets**

- Shall be capitalized in accordance with grant requirements when more restrictive than County thresholds.

##### **c. Capitalized property**

- Will be placed in the permanent fixed asset inventory control records and recorded in the general ledger.

##### **d. Non-capital / Minor Equipment**

- Non-capitalized or Minor Equipment fixed assets will be placed in the non-capital inventory control records. The Finance Department will set the threshold requirement(s) for non-capitalized fixed assets.
- Examples of non-capital/minor equipment:
  - Printers, monitors, radios, power tools, chairs, desks
  - Items requiring a title, plate, and registration under \$5,000

##### **e. Sensitive assets**

- Sensitive assets will be placed in the permanent fixed asset inventory control records and recorded in the general ledger regardless of purchase cost. Sensitive assets will be tracked in this manner to ensure that these items are monitored regularly, inventoried annually, and each item has been through the proper disposal process before removal from inventory. Such as, properly erasing all data from a computer / laptop. The Finance Department will set the threshold requirement(s) for sensitive assets.
- Examples of sensitive assets:
  - Firearms

- Computers / laptops

**f. Bulk purchases**

Bulk purchases of items that individually fall below the capitalization threshold shall not be capitalized unless the items are part of a single, integrated system that functions as one asset.

- Examples:
  - Server racks
  - Radio systems
  - Security systems

**g. General Ledger**

- The purchase of fixed assets will be coded to the designated G/L accounts for capital, non-capital, or minor equipment as outlined by the Finance Department.

**7. ASSET CLASSIFICATION:**

**a. Tangible**

- Land
- Land improvements
- Buildings
- Building improvements
- Vehicles
- Machinery and equipment
- Infrastructure (roads, bridges, culverts, drainage systems, cattle guards, sewer systems, dams, etc.)

**b. Intangible**

- Easements and land use rights
- Water Rights
- Software and internally developed software
- Patents, trademarks

**8. ASSET VALUATION:**

Assets shall be recorded at historical cost, including all costs necessary to place the asset into service. Donated assets shall be recorded at fair market value at the date of donation and may require an appraisal.

**a. Recorded at cost to include:**

- Capitalized Interest
- Construction by agency personnel (labor cost of employees such as Road Department or Facilities Management, etc.)
- Ancillary charges (freight and transportation, site preparation, and professional fees)
- Donated items recorded at fair market value at the time of acquisition plus ancillary charges

- Any other associated cost to prepare the asset for its intended use (advertisements, fees for appraisals, attorney fees, demolition of structures, etc.)

## **9. LEASED ASSETS:**

Leases and subscription-based information technology arrangements shall be evaluated and recorded in accordance with GASB Statements No. 87 and No. 96, as applicable.

## **10. REPAIRS, MAINTENANCE, AND IMPROVEMENTS:**

### **a. Repairs and Maintenance**

Routine repairs and maintenance that do not extend useful life or increase capacity shall be expensed. Improvements that extend useful life, increase capacity, or enhance functionality shall be capitalized.

- Repairs and maintenance include but are not limited to:
  - Routine maintenance and miscellaneous items for vehicles (roll cages, decals, and radios etc.)
  - Plumbing and electrical repairs to a building
  - Carpet Replacement

### **b. Improvements / Replacements**

Improvements and replacements to assets should be capitalized if the asset consists of identifiable and separately valued components, and a component is improved.

- **Examples:**
  - Transmission and motor of greater size and performance (transmission and motor of equal size and performance is classified as repair and maintenance)
  - Building remodel increasing the square footage of the building itself (remodel increasing room square footage is classified as a repair and maintenance)
  - Mile to a road
  - Roof replacements
  - Bathroom remodel
  - HVAC replacement

## **11. FURNITURE, FIXTURES, AND EQUIPMENT (FF & E):**

FF & E are tangible items not considered part of the building's structure. These items provide a space of functionality, comfort, and aesthetic appeal. FF & E items shall be capitalized when the individual item meets the capitalization threshold of \$5,000, including, but not limited to labor, freight, and assembly.

## **12. ACQUISITION OF FIXED ASSETS:**

All fixed assets shall be acquired in accordance with the Sierra County Purchasing Policy No. 22-0001. Departments shall provide required documentation to the Finance Department for asset recording.

The County Manager shall be authorized to issue any supplement consistent with the Policy deemed necessary to administer, manage or clarify this policy.

- Fixed assets shall be purchased in accordance with the Sierra County Purchasing Policy and P-Card Policy. It will then be the responsibility of the individual making the purchase to provide the information necessary to process the item as a fixed asset in accordance with this Policy.

### **13. EXCEPTIONS:**

All emergency purchases of fixed assets shall be approved by the County Manager or their designee and follow Sierra County Purchasing Policy No. 22-0001.

### **14. RECEIVING FIXED ASSETS:**

It shall be the responsibility of the purchaser or Asset Custodian to notify the Finance Department immediately upon receipt of a fixed asset. The item shall be completely checked by the purchaser to verify it has been received in acceptable and satisfactory condition. At this time, Fixed Asset personnel will begin the process of recording and tagging the fixed asset.

### **15. RECORDING OF FIXED ASSETS:**

All capital and designated assets shall be tagged and recorded in the County's fixed asset system to include all pertinent information and data required and as otherwise deemed appropriate by the County Manager, Finance Director, or their designee. Fixed assets require tagging for control purposes.

### **16. INVENTORY CONTROL AND ANNUAL INVENTORY:**

In compliance with the Office of the State Auditor Rule (2.2.2 NMAC), the Finance Department shall conduct an annual physical inventory at fiscal year-end. Interim inventories of other asset types, such as sensitive assets, may be conducted throughout the year. Elected Officials and Department Heads should make every effort to cooperate with the Finance Department in making all items available and accessible as needed for physical inventory.

- a. The Elected Official, Department Head, or designee shall be assigned custodial responsibility over all fixed assets listed under their supervision. It shall be the responsibility of the designated custodian to ensure the appropriate care, safeguard, location, maintenance, and security of those fixed assets, and to ensure that all fixed assets assigned or otherwise under their responsibility are purchased, received, processed and otherwise managed in accordance with this policy.
- b. It shall be the responsibility of each custodian to appoint an inventory officer to inspect and oversee the office or department inventory and to ensure that the inventory is appropriately protected, safeguarded, maintained, and repaired, and is physically inspected, present, and accounted for, such as firearms, radios, defibrillators, cameras etc. The Finance Department may conduct random physical inventory of certain items to verify that the computerized fixed asset file contains accurate information.
- c. After the Finance Department has completed a year-end inventory the results of the physical inventory shall be recorded in a written inventory report, certified as to the correctness and signed by the governing authority of the agency, the Board of County Commissioners.
- d. All infrastructure changes must be submitted to the Finance Department. Specific changes include, but are not limited to, As Built Summaries, Force Account Summaries, approved Vacated Roads listing, and Adopted Roads approved agenda request.

## **17. TRANSFERS OF FIXED ASSETS:**

Transfers of assets between departments or other governmental agencies require completion of proper transfer documentation and approval. Asset Custodians shall assume responsibility for all transfers to and from their respective areas. All permanent transfers shall be recorded and accompanied by the proper transfer documentation. The original transfer documents shall be filed and become part of the fixed assets record.

- a. Transfers between departments will require internal transfer documents and review and approval from the Finance Department to ensure that the transfer is properly recorded in the inventory database and the fixed asset record.
- b. Transfers between government agencies shall be treated as an asset disposal and require additional approvals and acknowledgements. *See Section 18 of the Fixed Asset policy.*

## **18. DISPOSITION OF FIXED ASSETS:**

- a. The following procedures implement the County's obligations under NMSA 1978, Sections 13-6-1 through 13-6-3, the State Auditor's Rules, and guidance issued by the Office of the State Auditor, including the property disposition matrix and related checklist. Required approvals, findings, notifications, waiting periods, and oversight authority shall be determined based on the type of property, its status as a capital asset, and its current resale value, and disposition shall not proceed until all applicable statutory and regulatory requirements have been satisfied. It is the responsibility of the Asset Custodian to notify the Finance Department of intent to dispose of any item.
- b. Through a formal resolution, the disposal list will be sent to the Board of County Commissioners for final approval.
- c. Written notification shall be provided to the Office of the State Auditor and the Department of Finance and Administration **at least thirty (30) days prior to disposition**, as required by law.
- d. Once acknowledged by the Department of Finance Administration, Office of the State Auditor, and approved by the County Commission, the items can be disposed of / sold by Sierra County.
- e. It is then the responsibility of the Finance Director or designee to ensure that all fixed assets and County property are disposed of appropriately and legally upon notice of intent to dispose of by an office or department.
- f. All revenues received from the sale of property shall be reverted to the General Fund except for special revenue funds or as otherwise required by law, grant stipulations, and State regulations.
- g. Departments shall coordinate with the Finance Department for auction or sale of surplus assets. The department will be responsible for keeping the item until it has been auctioned / sold.

## **19. DISPOSITION OF NON-CAPITAL / MINOR EQUIPMENT / SENSITIVE ASSETS:**

Departments shall coordinate with the Finance Department for auction or sale of surplus assets. The department will be responsible for keeping the item until it has been auctioned / sold.

### **a. Non-capital and minor equipment:**

- It is the responsibility of the Asset Custodian to notify the Finance Department of intent to dispose of any item on the inventory.
- It is then the responsibility of the Finance Director or designee to ensure that all fixed assets and County property are disposed of appropriately and legally upon notice of

intent to dispose of by an office or department.

- All revenues received from the sale of property shall be reverted to the General Fund except for special revenue funds or as otherwise required by law, grant stipulations, and State regulations.

**b. Sensitive assets:**

- Sensitive assets shall be tracked and safeguarded regardless of cost.
- Special handling and data-erasure requirements may apply.
- In the event a computer is included in the planned disposition, hard drive erasure certification is required.

**20. INFRASTRUCTURE REPORTING:**

Infrastructure assets shall be reported in accordance with GASB Statement No. 34, using the modified approach where applicable.

**a. Addition vs. repair**

- To qualify as an addition the road must meet one or more of the following criteria:
  - Addition of miles
  - Road material upgrade (i.e., gravel to chip seal, chip seal to paved, etc.)
  - Road route change
  - Improvements made to meet DOT standard requirements
- To qualify as a repair the road must meet one or more of the following criteria:
  - Patch
  - Potholes
  - Grading
  - Maintain with the same material

**21. DEPRECIATION OF FIXED ASSETS:**

The County shall record depreciation on capital assets in accordance with generally accepted accounting principles (GAAP) as established by GASB.

Depreciation shall be calculated using the straight-line method over the estimated useful life of the asset. Depreciation expense shall begin when the asset is placed into service and is ready for its intended use.

Estimated useful lives for capital assets shall be established by asset category and reviewed periodically for reasonableness. Useful lives are based on historical experience, industry standards, and management judgment. Useful life ranges will be outlined in the standard operating procedures for fixed assets.

**22. IMPAIRMENT, LOSS, THEFT, OR DAMAGE OF CAPITAL ASSETS:**

Capital assets shall be evaluated for impairment, loss, theft, or damage in accordance with generally accepted accounting principles, including GASB Statement No. 42, and applicable provisions of the Department of Finance and Administration Manual of Model Accounting Practices. When events or changes in circumstances indicate that an asset's service utility has been significantly and unexpectedly

reduced, the County shall assess whether an impairment has occurred and shall record and report such impairment as required. Losses, thefts, or destruction of capital assets shall be promptly reported to the Finance Department, investigated as appropriate, and reflected in the County's capital asset records and financial statements in accordance with applicable law, audit rules, and accounting standards. It shall be the responsibility of each custodian to immediately report any impairment, loss, theft, or damage.

### **23. DEPARTMENT OF TRANSPORTATION ANNUAL ROAD CERTIFICATION**

The Department of Transportation Annual Road Certification will be generated by Sierra County GIS staff and submitted to the Board of County Commissioners and DOT by the Road Department.

### **24. DONATED TANGIBLE PROPERTY TO OR FROM THE COUNTY:**

Donated tangible personal property shall be accepted or transferred in accordance with NMSA 1978 §13-6-1 and recorded at fair market value.

- a. In accordance with the NMAC 2.20.1.10 (D) Fixed assets that are donated to the agency should be recorded at fair market value at the time of donation and may require an appraisal of the property.
- b. Tangible personal property donated to or from the county can be received or donated by the county in accordance with NMSA 1978 13-6-1, the governing authority shall dispose of the tangible personal property by negotiated sale to any governmental unit of an Indian nation, tribe or pueblo in New Mexico or by negotiated sale or *donation to other state agency, local public bodies*, school districts, state education institutions or municipalities.
- c. All tangible personal property, donated to or from the county, with a current resale value of \$5,000 or more must be presented, by resolution, to the Board of County Commissioners for approval of the donation to or from the county, prior to receiving or donating the item, and must be recorded in the fixed asset system
- d. An affidavit of donation and the title from the donating entity is required for any trailers, vehicles, or equipment requiring a title and registration.
- e. The Department receiving the donation is required to collect all available information from the donating entity and provide the current resale value of the item to the Finance Director or designee for inventory recording and documentation.
- f. Any donations to another entity must follow the NMSA 1978 13-6-1 (B)(2), notification must be given at least 30 days prior to its action making the deletion by sending a copy of its official finding, the Board of County Commissioners approved resolution, and the proposed disposition to the State Auditor's Office (OSA) and the Department of Finance and Administration (DFA).
- g. Notifications to OSA and DFA are made, in writing, by the Finance Department, which is when the 30-day waiting period begins. At times the waiting period may take longer if any questions arise by OSA or DFA.

### **25. KNOWLEDGE OF PROVISIONS:**

A copy of this policy and all supplements shall be given to each designated custodian, i.e. elected official, department head, and/or department managerial staff, who shall sign for and be required to be knowledgeable about, understand and comply with the provisions of this policy.