



Board Agenda Item 62

DATE: December 14, 2021

TO: Board of Supervisors

SUBMITTED BY: David Luchini, RN, PHN, Director, Department of Public Health

SUBJECT: Reclassification of Expenses Determined to be Capital Expenditures

RECOMMENDED ACTION(S):

Approve reclassification of FY 2020-21 Department of Public Health Org 5620 expenditures determined to be Capital Assets as identified on Exhibit A, pursuant to County Administrative Office Management Directive 400 - Property and Equipment.

Approval of the recommended action will allow the Department of Public Health (DPH) to properly account for expenditures incurred in FY 2020-21. This item pertains to the expense related to consoles purchased for the new Emergency Services Communications Dispatch Center which should have been accounted for as capital assets per County Administrative Office Management Directive 400 (CAO MD 400), section 412.1. Approval of the recommended action will allow for the correct identification of the capital expenditures listed on Exhibit A to be added to the County's Asset Management System (AMS). This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, the identified capital asset expenditures incurred in FY 2020-21 would not be capitalized and depreciated over its useful life, which is inconsistent with proper accounting practices and CAO MD 400, section 412.1.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. Approval of the recommended action would reclassify \$369,192.76 in capital asset expenditures incurred in FY 2020-21 for DPH Org 5620. Additionally, approval will allow DPH to add the reclassified expenditures into the AMS to track depreciation of the capital expenditures and properly record the assets for reporting purposes.

DISCUSSION:

In FY 2019-20, a Capital Project for Leasehold Improvements was set up through Public Works and Planning for the new Fresno County, Emergency Medical Services Communications Dispatch Center managed through the Department of Public Health. As part of the project, a purchase order was issued under Program Number 91571 to acquire and install consoles. In FY 2020-21, the majority of the project management transitioned from Public Works Capital Projects to the ISD Facilities and IT Divisions. In the transition, the actual payment of the consoles was issued through the Department of Public Health (DPH), instead of utilizing the project using the original purchase order as the authority to pay. The payment made was not recognized as a capital expenditure at that time. With your Board's approval, the expenditure will be reclassified to allow for proper capitalization and addition to the County's AMS.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A - DPH Purchasing Org 5620

CAO ANALYST:

Ron Alexander