Construction-in-Progress and Fixed Asset Accounting Procedures
(Updated as of April 1, 2019)
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Construction-in-Progress and Fixed Asset Accounting Procedures
Updated as of April 1, 2019

I. Purpose
The purpose of the Construction-in-Process (CIP) and Fixed Asset Accounting Procedures is to:

- Ensure compliance with generally accepted accounting principles (GAAP) and applicable Federal and State regulatory and reporting requirements.
- Assign responsibility for the custody and safeguarding of fixed assets.
- Prescribe fixed asset procedures for SFO Accounting staff, and SFO employees and contractors who acquire, document, maintain, or dispose of fixed assets.

II. Definitions

Artwork is an object designed primarily for its aesthetic appeal and not held for financial gain, but rather for public exhibition, education or research as part of a public service.

Asset system is several different components that, when separate, are incomplete or not functional for the intended purpose, but when used together, make up one complete asset (e.g., a security system composed of cameras, sensors, and central control equipment).

Capitalized interest is interest, incurred during the process of acquiring a fixed asset, that is included as part of its costs.

Capitalized overhead cost is the indirect overhead cost incurred during the process of acquiring a fixed asset, that is included as part of its costs.

Capitalization threshold is the dollar amount below which items are not capitalized, because the benefits of capitalization would not exceed the costs.

Construction-in-progress represents costs incurred to construct or develop a tangible or intangible fixed asset before it is placed in service (at which time the asset is reclassified to the appropriate asset class—see Appendix E).

Depreciation is the systematic and rational distribution of the cost of a fixed asset (less salvage value) over its estimated useful life.

Easement is considered a property right in itself and is treated as a type of property. An easement or right does not give the holder the right of possession of the property, only the privilege to use the property of another for a limited purpose.

Equipment is any instrument, machine, apparatus, or set of articles that retains its original shape, appearance, and character with use. Examples include vehicles, machinery, computers, tools, and devices.
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**Fixed asset** is a tangible or intangible asset used in SFO operations that has an initial estimated useful life greater than one year and a historical cost equal to or greater than the capitalization threshold for the particular classification of the asset. Upgrades and/or enhancements that extend the useful life or functionality (efficiency) of an existing fixed asset are also considered a fixed asset.

**Intangible asset** is a nonfinancial asset that lacks physical substance and has an initial useful life greater than one year. Examples include easements and internally generated computer software.

**Land** is real property, which is characterized as having an unlimited or indefinite life.

**Land improvements** consist of improvements, other than buildings, that add value to land. Land improvements can be further categorized as exhaustible and non-exhaustible.

- Exhaustible – costs that will deteriorate or require maintenance and/or replacement with the passage of time, such as parking lots, landscaping, and fencing. Exhaustible improvements are depreciated.
- Non-Exhaustible – costs that do not deteriorate with use or passage of time, such as initial land clearing and grading. Non-exhaustible improvements are not depreciated.

**Non-capital items** are items that would be fixed assets except that they have historical cost less than the capitalization threshold for the particular classification of the asset.

**Parent and child relationship** can be established in PeopleSoft Asset Management module to identify related fixed assets. Following is an example when a child relationship should be established:

- When an asset is dependent upon another asset and is expected to be disposed simultaneously, such as the compressor in an air conditioning system, the roof of a building, or the engine in a truck.

The useful life of the child asset should end no later than the parent’s useful life, except for phased projects. The child asset of phased projects should receive its own asset tag.

**Phased project** is a project in which different portions of the project are placed into service at different times. Examples of phased projects are: (i) computer networks or internally generated software where a portion of the asset will go live earlier than other portions and (ii) installation of electric vehicle charging stations with different go live dates for various locations.

**Placed in service** is the date that an asset is substantially completed and ready for its intended use. This is the date that the asset is moved from CIP and current year capitalizable costs to fixed assets and depreciation begins.

**Repairs and maintenance** are costs incurred in connection with existing fixed assets that neither lengthen their estimated useful lives nor increase their service capacity. Accordingly, these costs are expensed as incurred.
Salvage value is the estimated proceeds at the time of eventual disposal of a fixed asset. All SFO fixed assets are assumed to have a zero dollar salvage value.

Useful life is an accounting estimate of the period during which a fixed asset provides service.

III. Responsibilities

1. Division Head Responsibilities
   - Safekeep, track, and manage fixed assets procured, constructed, contributed, transferred, disposed, or located within their respective Division, including non-capital items.
   - Notify Accounting of the following: (a) individual assigned the custodian responsibilities, (b) any new fixed asset acquired by contribution, (c) any disposal of fixed assets, and (d) any transfer of assets to another SFO Division.
   - Ensure Annual Fixed Asset Inventory Confirmation is completed accurately and returned to Accounting on time. Physical inventories and fixed assets confirmation should be performed by personnel having no direct responsibility (custody and receipt/issue authority) for assets subject to inventory count.

2. Accounting Office Responsibilities
   - Provide blue, red, and green numbered asset tags for fixed assets that meet the capitalization thresholds defined in Appendix E, grant funded, and non-capital items, respectively.
   - Provide training and guidance to Airport staff regarding fixed asset management.
   - Maintain accurate construction-in-progress account and fixed asset database.
   - Maintain documents supporting the identification, recording, disposal and depreciation of fixed assets.
   - Coordinate annual confirmation of fixed assets to verify existence.
   - Monitor adherence to the Construction-in-Progress and Fixed Asset Accounting Procedures.

3. Document Retention
   Records related to fixed assets are considered essential records per the “Airport Record Retention and Destruction Policy”. Fixed asset records are maintained until asset is retired/disposed. Such records include those related to historical cost (e.g., invoices, contracts and purchase orders); upgrades and improvements; depreciation; transfers; and disposals.
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IV. Construction-in-Progress Accounting

1. Establishing Beginning CIP Balance

The General Ledger Group runs General Ledger (GL) Trial Balance query (FSP_GLAM_LEDGER_TRIAL_BAL_DEP) in PeopleSoft to download the CIP account balance as of July 1. CIP balances, by project number, are saved in an Excel file named “Project Status FY20XX” (the “Project Status spreadsheet”). The Project Status spreadsheet includes: project name, project number, CIP beginning balances, current year expenditures, the amount transferred out of CIP to fixed asset or expense, and ending CIP balances. Further, the Project Status spreadsheet reconciles the beginning CIP balances to prior years audited financial statements.

2. Updating Project Status Spreadsheet

On a monthly basis, the General Ledger Group runs the expenditure query (FSP_GLAM_JOURNAL_PROJACT_DTL) to capture current year expenditures (Actual and CAFR_FULL) by projects until the capital improvement project accrual cut-off date. For year-end, the General Ledger Group runs the expenditure query on a weekly basis until month 13 is closed by the City’s Controller’s Office. All capital improvement project accrual cost will be included in the Project Status Sheet.

a. Adding CIP

The General Ledger Group reviews the Capital Planning System and obtains the approval date of the initial funding request by the Deputy Airport Director. Qualifying project costs incurred on or after the initial funding request approval date are capitalized.

(i) If the project’s beginning CIP balance plus current year expenditures are equal to or greater than $100,000, the General Ledger Group meets with the Section Manager/Program Director, or Project Manager (PM)/Construction Manager (CM) to discuss the Initial Capital Improvement Project Questionnaire (Appendix A) to determine what types of assets would be produced and to identify any replaced or demolished assets. Multiple Appendix A meetings may be required if additional information is needed from PM/CM. The General Ledger Group sends the updated Appendix A to the Financial Reporting Manager or the General Ledger Supervisor for review and approval. The approved copy is filed in the CIP binder.

(ii) If a capital funded project’s beginning CIP balance plus current year expenditures are less than $100,000 by Q4 analysis cut-off date, the General Ledger Group will send an email to the PM to determine if the project should be capitalized and/or expensed.

• If the project is to be capitalized, the CIP balance and/or current year expenditures will be carried over to the next fiscal year as beginning CIP balance.
• If the project is to be expensed, the CIP balance will be written-off and/or the current year expenditures will be treated as current year’s non-operating expense.
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(iii) When a facility maintenance funded project incurs expenditures, the General Ledger Group will send an email to the PM in December, March, or June to determine if the project should be capitalized and/or expensed.

- If the project is to be capitalized, the CIP balance and/or current year expenditures will be carried over to the next fiscal year as beginning CIP balance.
- If the project is to be expensed, the CIP balance will be written-off and/or the current year expenditures will be treated as current year’s repair & maintenance expense.

(iv) If previously determined expense project incurs $100,000 or more, the General Ledger Group will send an email to the PM to confirm if there are any changes of the scope.

(v) If the expenditures incurred under project activity description 82 – Equipment - ITT (equipment ITT) and 83 – Equipment – Other (equipment) equal to or greater than $5,000, the General Ledger Group will send an email to Information Technology & Telecommunications (ITT) or schedule a meeting to determine if these costs should be capitalized as a system or individual assets.

- If capitalized as a system, the costs will be captured as CIP until the system is placed in service for its intended use.
- If capitalized as individual assets, the costs are analyzed individually. Assets are recorded in the PeopleSoft Asset Management (AM) module.

b. Reporting Non-Capitalizable Capital Improvement Project Costs

For capitalizable construction projects, the General Ledger Group updates the Non-Capitalizable Expense Cost Sheet (Appendix B) to record demolition, environmental remediation, and other expense costs based on information provided by Planning, Design & Construction (PD&C) with each progress payment request to Accounting on a monthly basis. The General Ledger Group further reviews payment packages and invoices, if available, to search for additional costs to be expensed.

At the end of each fiscal year, for projects not yet placed in service, the General Ledger Group sends Appendix B to the PM/CM and Financial Reporting Manager or General Ledger Supervisor for review and approval. The General Ledger Group updates the Project Status spreadsheet to expense costs so that only capitalized costs are left in CIP.

c. Updating CIP

CIP balances are monitored and updated at the end of Q2, Q3, and Q4. The General Ledger Group records CIP balances on a project basis.

Following Q2, Q3, and Q4, the General Ledger Group sends the CIP Follow-up Questionnaire (Appendix C) through email to PM/CM to update. The General Ledger Group prints Appendix C and the related email from the PM/CM to be used for completed project journal entry backup.
d. Converting CIP to Fixed Assets

The General Ledger Group contacts the PM/CMs to determine (a) whether all or part of the capitalizable project has been placed in service, (b) whether any fixed assets were replaced or removed from service, and (c) whether a capital improvement project is being canceled or abandoned if there is no current activities during the fiscal year. Evidence of date placed in service can include the issuance date of a Temporary Certificate of Occupancy.

Following the placed-in-service date, the General Ledger Group reconciles the project costs up to the placed-in-service activity month and schedules an Appendix D meeting. During the Project to Fixed Asset Cost Sheet (Appendix D) meeting, the General Ledger Group obtains information from the PM/CM to assign the asset class, estimated useful life, location, custodian and asset description. If costs cannot be specifically identified to individual assets to be capitalized, the PM/CM provides an allocation methodology. The PM/CM uses the Fixed Asset Class Schedule (Appendix E) as a guide to assign asset class and estimated useful life. The PM/CM contacts the General Ledger Group if exceptions should be granted. For equipment purchased through the construction contract, the PM/CM assists the General Ledger Group to obtain unit cost, description, and custodian.

After the Appendix D meeting, the General Ledger Group sends a draft of Appendices B and D to the General Ledger Supervisor and Financial Reporting Manager for review. Once approved by the Financial Reporting Manager, the General Ledger Group sends the Appendices B and D to PM/CM for approval (negative confirmation). If there are any changes, the final Appendices B and D are sent to the General Ledger Supervisor and Financial Reporting Manager for approval and then filed in the CIP Binder.

When Appendices A-D are approved and upon the General Ledger Supervisor and Financial Reporting Manager review and approval, the General Ledger Group updates PeopleSoft Asset Management module (AM module) to capitalize costs from CIP and current year capitalizable costs to fixed assets at Q2, Q3, and year-end. General Ledger Group records the substantially completed project as fixed assets in AM module and forwards the Fixed Asset Addition Form (Appendix F) to the General Ledger Supervisor for approval. The AM module supporting documents are forwarded to the General Ledger Supervisor for review.

e. Converting CIP to Fixed Assets for Phased Projects

Phased projects that take longer than two fiscal years to complete are capitalized as each phase is placed into service. As each phase is placed in service, the portion of the projects costs related to the portion of the project placed into service is capitalized.

If the construction phase of a phased project is two fiscal years or less, the asset can begin being depreciated on the go-live date of the last phase.
f. **After Asset is Placed in Service**

The General Ledger Group monitors project costs after the asset is placed in service until the project’s final construction contract payment has been paid and analyzed. If additional costs equal to or greater than $100,000 and include construction activities per fiscal year were incurred after asset was placed into service, such costs will be analyzed to determine the amount to be capitalized or expensed. The costs are capitalized in AM module as a cost adjustment. Any fiscal year in which additional costs are less than $100,000 are expensed. The General Ledger Group will capitalize all construction costs incurred up to the month the project is substantially completed.

Upon the General Ledger Supervisor review and approval, the General Ledger Group adjusts AM module to move the additional capitalizable costs to fixed assets at year-end. General Ledger Group records the completed project as fixed assets in AM module and forwards the Appendix F to the General Ledger Supervisor for approval.

g. **Replaced or Demolished Assets**

Before the Appendix A meeting, the General Ledger Group searches the asset database by description, contract number, or location for potential assets to be removed from fixed assets records, including parent child relationships, and forwards the list to General Ledger Supervisor for review.

During the Appendix A meeting, the Section Manager/Program Director, or PM/CM is asked to review a list of possible replaced or demolished assets (identified by the General Ledger Group) in Appendix A for capitalizable and/or expense project. At year-end, through Appendix C and/or at Appendix D meeting, PM/CM is asked to confirm if any identified asset in Appendix A was replaced or demolished and provide the disposal date.

General Ledger Group processes the disposal of the replaced or demolished assets in AM module. The disposal list is forwarded to the General Ledger Supervisor for review and approval.

h. **Reconciliation**

The General Ledger Group is responsible for reconciling the Project Status spreadsheet CIP balance, PeopleSoft account 111230 (Construction In Progress-Other), and all CIP related Prepared by Client (PBC) schedules at Q2, Q3, and year-end. The General Ledger Group reconciles the CIP balance on related PBC schedules to the CIP balance on the Statement of Net Position. General Ledger Group ensures the AM module ties to the General Ledger CIP Balance. The General Ledger Supervisor reviews and approves the reconciliation.

i. **Project Files**

The General Ledger Group maintains all relevant project accounting information for each project in Construction-in-Progress Folders within the X-drive. Documentation includes Appendices A-D, Project Status spreadsheet, project
payment files, communications with PM/CM, and Temporary Certificates of Occupancy, if available.

The General Ledger Group also maintains a hard copy of relevant project accounting information in CIP Binders by project number along with the signed Appendices A-D.

V. Fixed Asset Accounting

1. Components of Historical Cost

Fixed assets may be acquired through procurement, capital construction contract, or contribution. Purchased and constructed assets are recorded at historical cost. Contributed assets are recorded at replacement value on the date received. Historical cost is determined as follows:

- Historical cost can be capitalized on an individual asset basis or as an asset system.
- Except for works of art, actual cost includes all charges necessary to place the asset for its intended use including capitalized interest and allocated indirect overhead cost. Actual cost includes, but is not limited to, purchase price, taxes, freight, title search fees, and installation charges.
- Maintenance and repairs, training, warranty, feasibility studies, demolition including tenant buy-out, environmental remediation, and wetland mitigation costs are not directly related to an approved capital project and should not be capitalized.
- If an acquired asset does not meet the capitalization threshold, it is expensed.
- Salvage value for all SFO fixed assets is assumed to be zero.
- Asset class, capitalization threshold, and estimated useful life are set forth in Appendix E.
- Any improvement to an existing fixed asset that (1) costs less than the applicable capitalization threshold, or (2) does not increase asset capacity or significantly extend the asset’s useful life, is not capitalized.
- After determining the capitalization period of a qualifying asset, record the eligible interest cost as part of the actual cost of acquiring the asset. See Section V.4 below.
- Indirect costs are capitalized as discussed at Section V.5 below.
- Capitalize the development of an internally generated intangible asset only after the following:
  - Determination of the specific objective of the project and the nature of the service capacity that is expected to be provided by the intangible asset upon the completion of the project;
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- Demonstration of the technical or technological feasibility for completing the project so that the intangible asset will provide its expected service capacity; and
- Demonstration of current intention, ability, and presence of effort to complete or, in the case of a multi-year project, continue development of the intangible asset.

2. Acquisitions

For building and infrastructure acquired through capital construction contracts, see Section IV for Construction-in-Progress Accounting.

For equipment acquisition, Accounting Fiscal Operations Group and Capital Project & Grant Group provide equipment purchase information such as copies of purchase orders and invoices to the General Ledger Group for fixed asset determination.

On a quarterly basis (Q2, Q3, and Q4), for project activity description 82 – Equipment - ITT (equipment ITT) and 83 – Equipment – Other (equipment), the General Ledger Group adjusts AM module to capitalize the costs as fixed assets or reclassify the costs to CIP or non-operating expenses. General Ledger Supervisor reviews and approves the adjustment in PeopleSoft.

To capitalize equipment as fixed asset, General Ledger Group performs the following:

1) Compiles the purchase package including invoice, purchase order, and PeopleSoft payment voucher;

2) Initiates a Fixed Asset Addition Form (Appendix F);
   - Inputs the asset tag/barcode number, asset description, PS profile ID, estimated useful life, cost, purchase order No., contract No., and custodian;
   - Inputs “Yes” if the asset is grant funded;

3) Issues an asset tag which is a blue barcode sticker stating the asset ID number; and

4) Sends Appendix F with the asset tag to the Division that purchased the equipment. Division staff that use the equipment perform the following:
   - Affixes the asset tag to the equipment;
   - Inputs the following information onto Appendix F: serial number of the equipment or VIN number if a vehicle, SFA No. for vehicles, and the date the asset was placed in service;
   - Requests the Division Head or Designee to certify the form; and
   - Forwards the completed form to General Ledger Group for processing in AM module.

5) Creates two spreadsheets:
   - In the first spreadsheet, records the asset purchase order #, Fund ID, Department ID, Project ID, asset tag #, cost per unit, extension cost, taxes,
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other fees, and add COIT fees as it comes in to determine the total purchase cost of the asset.

- In the second spreadsheet, records the exact inputs that will be entered into AM module, which includes account code, section, location, asset class, asset ID, PO#, serial #, Vin #, SFA #, purchase date, quantity, cost, depreciation code, life in months, description, and additional description.

6) Input the asset information in the AM module. Generates the AM module Asset Cost Activity report for the newly added asset; reconcile to the General Ledger Trial balance to ensure the asset recorded to the appropriate account and submits AM module document to General Ledger Supervisor for approval.

3. Asset Tagging

All capitalized equipment and furniture is tagged with an asset tag from Accounting. The General Ledger Group provides the blue asset tags for capitalized equipment and furniture to the Divisions upon receipt of the Fixed Asset Addition Form (Appendix F). Buildings and infrastructure are not tagged.

All Information Technology assets purchased through Information Technology & Telecommunications (ITT) that fall below the capitalization threshold and all weapons regardless of cost are tagged using green barcode asset tags. Other non-capitalized assets are tagged at the Division Head’s discretion using green barcode asset tags.

Divisions place the asset tags where they are visible from a standing person’s point of view yet not compromising the visual appearance:

- For engineering, grounds and maintenance equipment, the asset tag is placed near the manufacturer’s identification plate. If that location exposes the tag to excessive oil, paint, vibration or heat, then the asset tag is placed in the upper right corner of one side of the equipment. If no location on the equipment is reasonably safe from defacement of the asset tag, it is recommended that the Division files the asset tag with the purchase order or invoice for annual fixed asset confirmation and verification.

- For other equipment and furniture, the standard asset tag location is a solid and flat surface on the upper right hand side of the asset. Assets should not be required to be moved to see the asset tags.

4. Capitalized Interest Cost

Interest is capitalized for bond-funded projects during the capitalization period. Capitalized interest is not allocated to projects that are grant-funded, substantially completed or on-hold due to internal decision making processes. The capitalization period begins at the start of pre-construction activities and ends when the asset is placed in service, cancelled or placed on hold. Phased projects continue to incur capitalized interest until each phase is placed in service.

SFO’s interest capitalization rate is calculated by the General Ledger Supervisor on a quarterly basis (Q2, Q3, and Q4). It is calculated by dividing the interest expense for
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the period by the average debt outstanding. Letter of credit fees, commitment fees, and amortization of deferred refunding costs, are excluded from total interest expense.

The General Ledger Group calculates the total capitalized interest amount by multiplying the interest capitalization rate by the total average CIP. The capitalized interest amount is allocated among various qualified CIP projects (excluding grant funded expenditures) based on the ratio of the project to the total qualified CIP balance. The schedule is reviewed and approved by the General Ledger Supervisor.

At year-end, the General Ledger Group adjusts AM module to allocate capitalized interest to fixed assets.

5. Capitalized Overhead Cost

Annually, SFO’s consultant prepares the Cost Allocation Plan. The General Ledger Group provides the preliminary financial data and the General Ledger Supervisor provides the direct labor hours report for capitalizable and expense projects. Based on the Cost Allocation Plan, the General Ledger Group prepares a schedule that allocates overhead to projects based on percentage of direct labor hours.

For each capitalizable project that is substantially completed, the General Ledger Group allocates overhead costs to fixed assets by adjusting the cost under AM module. The General Ledger Supervisor reviews and approves it.

6. Disposals

In general, surplus assets should not be donated to any organization, listed on or exchanged through the SF Virtual Warehouse or otherwise provided to other city department unless approved by the Airport Managing Director, Finance, in consultation with the Airport General Counsel/Legal Division. With the approval of the Division Head or Designee, spare vehicles, equipment, and other surplus fixed assets can be disposed in accordance with the Disposal of Surplus Property Flowcharts:

- Appendix J.1 – Vehicles
- Appendix J.2 – Non-ITT Supported Equipment
- Appendix J.3 – ITT Supported Equipment
- Appendix J.4 – Scrap Metal
- Appendix J.5 – Furniture

For vehicle disposals, a completed Vehicle Turn-In Request (Appendix I) is completed showing Division information and vehicle information. The Division Head or Designee signs the form to approve the disposal. The vehicle and the form are sent to the City’s central shop. Shop personnel inspects the vehicle, match the ID number to the request form, and sign-off on the form.

For other asset disposals, the asset is sold through auction by one of the City-approved contractors.

For all disposals, Divisions fill out the Fixed Asset Disposal Form (Appendix G) and send it to Accounting. The form contains the asset ID number, asset description, serial #, method
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of disposal, and reason for disposal. The form is reviewed and signed by the Division Head or Designee.

Upon receipt of any sales proceeds, the Revenue Accounting Group notifies the Budget Group to use the proceeds within six months of the receipt date for future construction projects that are not for private business use (e.g. taxiway/runway). The General Ledger Group will dispose the vehicles in the AM module.

For disposal of grant-funded assets, the Capital Project & Grant Group refers to the grant requirements upon disposition of grant funded assets and assures compliance therewith. For some federally funded assets, the Division must report the sale of an asset acquired with federal grant funds to the granting agency and in some circumstances remit the proceeds to them.

Assets not in use, but still in the Airport’s possession are not to be disposed or retired in the AM module until they are physically disposed according to the Disposal of Surplus Property Flowchart (Attachment J).

To dispose an asset in AM module, General Ledger Group reviews Appendix G for proper authorization and performs the following:

- Pulls up the individual asset by asset ID under AM module Retire/Reinstate Asset screen. Clicks on the “Retire As” drop down menu and select the reason for disposal.
- After entering all disposals, generates the AM module Asset Cost Activity report.
- The General Ledger Supervisor reviews and approves the AM module Asset Cost Activity report.

7. Transfers

When a Division requests to transfer an asset to another Division within SFO, the Fixed Asset Transfer Form (Appendix H) is filled out by the Division that “owns” the asset. The form contains the following information: Asset ID number, asset description, from where the asset is to be transferred. Division Head or Designee signs the form to approve the transfer. No transfer is allowed to other City departments without proper approval from the Deputy City Attorney.

Appendix H and the asset are sent to the receiving Division to acknowledge receipt of the asset. A copy of the form is sent to Accounting.

Upon receipt of the completed transfer form, General Ledger Group updates asset location and custodian in AM module after reviewing the form for necessary approvals.

8. Relocating/Moving

For divisions that are involved in office/space relocations, refer to the latest Executive Directive: 18-02 Relocating/Moving Policy and Procedures (Appendix L).

9. Non-Capital Items

Divisions are responsible for all assets in their possession, regardless of whether capitalized. For equipment that falls under the $5,000 capitalization threshold, each Division determines which items are susceptible to theft or loss and therefore should be
controlled. All non-cap IT assets purchased through ITT and all weapons are tagged using green barcode asset tags provided by General Ledger Group. On-site Airport Hotel's non-capital items are not required to be tagged (see Appendix M – Hotel Asset Management). Other non-capital items controlled by Divisions can be tagged or tracked in any manner specified by the Division Head or Designee.

Non-capital items can be controlled using Service Now, Microsoft Excel or other systems. Control means that the Division (a) maintains an accurate inventory control list of controlled non-capital items, (b) tags controlled non-capital items with green barcode tags, (c) annually inventories controlled non-capital items, and (d) reconciles actual assets to the inventory control list.

10. Works of Art

Artwork with acquisition cost equal to or greater than $100,000 is capitalized. Capitalized costs do not include installation cost, capitalized interest, nor capitalized overhead. Artwork is not depreciated.

11. Depreciation

All fixed assets, except construction-in-progress, land, non-depreciable land improvements, and non-depreciable easements, are depreciated using the straight-line method with no allowance for salvage value.

The straight-line depreciation method (historical cost divided by estimated useful life) is used for all fixed assets unless assets have indefinite lives or are inexhaustible. For SFO, no depreciation is taken in the month the asset was placed in service and a full month of depreciation is taken in the month of disposal.

The Controller's Office runs depreciation calculation in AM module. The General Ledger Group will reconcile the accumulated depreciation by account between General Ledger Trial Balance and AM module. General Ledger Supervisor reviews and approves the reconciliation. Any change to estimated useful life is made prospectively and approved by the Division Head or Designee, and the Financial Reporting Manager or Airport Controller.

12. Annual Confirmation for Capitalized Assets

The General Ledger Group is responsible for coordinating an annual capitalized fixed asset inventory to ascertain the existence of fixed assets and for related reconciliation of inventory results to accounting records.

The annual fixed asset inventory is performed by each Division as directed by the Accounting Office as follows:

- General Ledger Supervisor provides each Division in May or June with list of all capitalized assets to be confirmed.
- Division locates each asset. Discrepancies are explained and resolved as follows:
  - For capitalized assets without asset tags, the Division notifies Accounting Office to request for asset tags and completes Appendix F.
Accounting Procedures

- For assets that cannot be located, the Division is responsible to investigate and determine the proper action. If disposal is the proper action, Division will prepare a Fixed Asset Disposal Form (Appendix G) with justification and submit to General Ledger Group.

- For assets located that are not on asset list, the Division add the asset description, serial number, manufacturer, contract/purchase order number and model number to the confirmation.

- For retired or unused assets, the Division follows asset disposal procedures described in Section V.6.

  - The Division returns the completed Fixed Asset Inventory Confirmation to Accounting Office by the indicated due date.

The Accounting Office, at their discretion, conducts random physical inventory observations to ensure the accuracy of the confirmation.

A physical inventory of federally funded fixed assets shall be taken and reconciled to fixed asset accounting records at least once every two years by the Capital Project & Grant Accounting Group.

13. Monitoring Responsibilities

The General Ledger Group is responsible for reviewing the depreciation entries for accuracy and reasonableness on Q2, Q3, and at year-end. Significant fluctuations in depreciation expense from period to period are investigated and the reasons for the fluctuations documented.

Annually, the General Ledger Group prepares a schedule of fixed assets showing the following for each asset type:
- Balance at beginning of year
  - Acquisitions
  - Disposals
  +/- Transfers
  - Write offs and abandonments
  +/- Prior year corrections
= Balance at end of year

The reasonableness of the amounts are tested as follows:

- Balance at beginning of year – Agree to prior year audit report
- Acquisitions, Disposals – Reconcile to AM module report
- Transfers – Assure costs net to zero
- Write offs and abandonments, Prior year corrections – Understand significant amounts and consider completeness
## Appendix A: Initial Capital Improvement Project Questionnaire

**Project Title:**

**Date of Meeting:**

**Attendees:**

<table>
<thead>
<tr>
<th>Prepared by:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reviewed by:</td>
<td></td>
</tr>
<tr>
<td>Approved by:</td>
<td></td>
</tr>
</tbody>
</table>

**Project Status:**

<table>
<thead>
<tr>
<th>FAMIS project ID:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FSP project code:</td>
<td></td>
</tr>
<tr>
<td>Project number:</td>
<td></td>
</tr>
<tr>
<td>PM/CM:</td>
<td></td>
</tr>
<tr>
<td>PMSS:</td>
<td></td>
</tr>
<tr>
<td>Section Manager/Program Director:</td>
<td></td>
</tr>
<tr>
<td>Project scope:</td>
<td></td>
</tr>
</tbody>
</table>

**What types of assets will be constructed by this project? (refer to Appendix E asset class schedule)**

**Are all professional service costs and work order costs for the construction of the assets (if applicable)?**

- If yes, reason to expense:

**Project location:**

**Construction Contract number (cost element 61-80):**

**Construction Contract title:**

**Deputy Airport Director initial funding approval date (attach CPS print screen):**

**Estimated total project cost:**

**Is this project grant funded (Yes/No)?**

**Estimated construction start date:**

**Estimated substantial completion (placed in service) date:**

**Will this project have a Temporary Certificate of Occupancy (TCO)?**

**Does this project have multiple phases (different portions of the project are placed into service at different times)?**

- If yes, how many phases and completion dates?

**Other related contract number(s):**

**Asset(s) to be replaced (Y/N):**

- If yes, identify:
  - Prior contract number
  - Age of prior asset

**Status drop down options:**

- CY Project
- PY Project w/ CY Cost
- PY Project w/o CY Cost

**Grey section will be filled out by GL Group**

**Yellow section will be populated by GL Group based on the meeting**
# Appendix B: Non-Capitalizable Expense Cost Sheet

<table>
<thead>
<tr>
<th>Analyzed in fiscal year</th>
<th>Payment number</th>
<th>Activity period</th>
<th>Posted in FSP GL FM/FY:</th>
<th>Invoice Description</th>
<th>Prepared by Accounting</th>
<th>Checked by Accounting</th>
<th>Demolition cost</th>
<th>Environmental remediation cost</th>
<th>Other Expense Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

Total: __________

Reviewed by PM: ____
Reviewed by Accounting: ____
Approved by Accounting: ____

This section will be filled out by the GL Group based on the information provided by PD&C with each progress payment.
### Appendix C: CIP Follow-up Questionnaire

<table>
<thead>
<tr>
<th>Prepared by:</th>
<th>As of 12/31/18</th>
<th>As of 3/31/19</th>
<th>As of 6/30/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reviewed by:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PM/CM:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PMSS:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date of Appendix C response:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FAMIS project ID:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FSP project ID:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project number:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project title:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project scope:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Have there been changes to the project scope? (yes/no)**
  - **If yes, please summarize any changes to the project scope below:**

Section Manager/Program Director:

| Project location: | | | |
| Contract number (FAMIS cost element 61-80/FSP activity code): | | | |
| Construction contract title: | | | |
| Deputy Airport Director initial funding approval date: | | | |

| Is this project substantially completed (Yes/No)? | | | |
| - If yes, please provide substantial completion (placed in service) date: | | | |
| - If no, please provide projected substantial completion (placed in service) date: | | | |

- **For phased projects, please provide substantial completion date for each phase:**

If no activity during the fiscal year, has this project been cancelled or on hold? (yes/no):

- **If yes, date cancelled or on hold:**

**PM to confirm at year-end:**

Review the attached list to identify replaced asset(s) and provide disposal date(s):
### Accounting Policies and Procedures

#### Appendix D: Project to Fixed Asset Cost Sheet

**Date of meeting:**
- Prepared by:
- Reviewed by:
- Approved by:
- TAMIS Project ID:
- FSP project code:
- Project number:
- Project title:
- PM/CM:
- PMSS:
- Section Manager/Program Director:
- Project location:
- Construction contract number (cost element 61-80):
- Construction contract title:
- Deputy Airport Director initial funding approval date:
- Substantial completion date:

<table>
<thead>
<tr>
<th></th>
<th>Direct Cost</th>
<th>Indirect Cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beg Balance as of 6/30/18:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add: CY Actual expenditures:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: CY Appendix B expense cost:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Workphase 82/83</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total capitalized costs:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Capitalized Cost Breakdown

<table>
<thead>
<tr>
<th>Capitalized in fiscal year</th>
<th>Asset description (per PM)</th>
<th>Asset class</th>
<th>Appendix E useful life range</th>
<th>Estimated useful life</th>
<th>Direct Cost</th>
<th>Indirect Cost</th>
<th>Total Cost</th>
<th>Section responsible for the asset (Custodian)</th>
<th>Asset location</th>
<th>Asset ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Total                     | -                           | -           | -                            |                       |             |              |           |                                               |                |         |

Equipment is defined as a tangible and durable asset that is used in the production of other goods and services and has a useful life of more than one year. Examples of equipment include machinery, tools, devices, etc.

Materials form the actual product and are the parts, components, ingredients and raw materials that become a part of the product. Examples of components include parts, components, fuel, etc.
## Appendix E: Asset Class

**SFO**  
**Appendix E: Fixed Asset Class**  
**Effective July 1, 2018**

<table>
<thead>
<tr>
<th>Asset Class Description</th>
<th>FSP GL</th>
<th>Capitalization Threshold</th>
<th>FSP Asset Category</th>
<th>Estimated Use Life</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Train System</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>20</td>
<td>excluding building and bridge</td>
</tr>
<tr>
<td>Artwork</td>
<td>111305</td>
<td>100,000</td>
<td>Art and Historical Items</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Baggage Handling System</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>10</td>
<td>including explosive, conveyor belt, etc.</td>
</tr>
<tr>
<td>Blgd &amp; Bldg Improvement</td>
<td>111300</td>
<td>100,000</td>
<td>Buildings and Improvements</td>
<td>40</td>
<td>central plant, terminal, boarding areas, parking garage</td>
</tr>
<tr>
<td>- Terminal</td>
<td>111300</td>
<td>100,000</td>
<td>Buildings and Improvements</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>- Transitional Structures</td>
<td>111300</td>
<td>100,000</td>
<td>Buildings and Improvements</td>
<td>5</td>
<td>temporary facility such as office trailer, temporary structure</td>
</tr>
<tr>
<td>Light Vehicle</td>
<td>111330</td>
<td>5,000</td>
<td>Equipment and Furnishings</td>
<td>5</td>
<td>light truck, motorcycle, police vehicle</td>
</tr>
<tr>
<td>Heavy Vehicle</td>
<td>111330</td>
<td>5,000</td>
<td>Equipment and Furnishings</td>
<td>10</td>
<td>fire engine, heavy truck</td>
</tr>
<tr>
<td>Communication Equipment</td>
<td>111330</td>
<td>5,000</td>
<td>Equipment and Furnishings</td>
<td>5</td>
<td>radio, paging system, public address system, visual paging system</td>
</tr>
<tr>
<td>Computer/Printer/Copier/Server</td>
<td>111330</td>
<td>5,000</td>
<td>Equipment and Furnishings</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Computer Software</td>
<td>111460</td>
<td>100,000</td>
<td>Depreciable Intangibles</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Domestic Sewer System</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>40</td>
<td>piping, pump station &amp; related equip</td>
</tr>
<tr>
<td>Domestic Sewer Treatment Plant</td>
<td>111300</td>
<td>100,000</td>
<td>Buildings and Improvements</td>
<td>40</td>
<td>Mel Leong</td>
</tr>
<tr>
<td>Noise Easement</td>
<td>111460</td>
<td>n/a</td>
<td>Intangibles</td>
<td>n/a</td>
<td>inactive after 6/30/2013</td>
</tr>
<tr>
<td>Easement</td>
<td>111280</td>
<td>100,000</td>
<td>Non-Depreciable Intangibles</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Industrial Waste System</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>40</td>
<td>for runoff from airfield, garages. Piping, pump station &amp; related equip</td>
</tr>
<tr>
<td>Industrial Waste Treatment Plant</td>
<td>111300</td>
<td>100,000</td>
<td>Buildings and Improvements</td>
<td>40</td>
<td>this facility is being rebuilt and expanded</td>
</tr>
<tr>
<td>Land</td>
<td>111210</td>
<td>All</td>
<td>Land</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Land Improvement - depreciable</td>
<td>111500</td>
<td>100,000</td>
<td>Depreciable Land Improvements</td>
<td>15</td>
<td>landscaping, fencing, parking lot</td>
</tr>
<tr>
<td>Land Improvement - nondepreciable</td>
<td>111210</td>
<td>100,000</td>
<td>Non-Depreciable Land Improvements</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Machinery &amp; Equipment</td>
<td>111330</td>
<td>5,000</td>
<td>Equipment and Furnishings</td>
<td>5</td>
<td>such as movable equipment, tools</td>
</tr>
<tr>
<td>Machinery &amp; Equipment - Heavy</td>
<td>111330</td>
<td>5,000</td>
<td>Equipment and Furnishings</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Natural Gas Distribution System</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>40</td>
<td>not inside building</td>
</tr>
<tr>
<td>Network Equipment</td>
<td>111330</td>
<td>5,000</td>
<td>Equipment and Furnishings</td>
<td>5</td>
<td>switches, router, Wi-Fi, voice, LAN</td>
</tr>
<tr>
<td>Office Furniture &amp; Equipment</td>
<td>111330</td>
<td>5,000</td>
<td>Equipment and Furnishings</td>
<td>5</td>
<td>excluding terminal furniture for public use</td>
</tr>
<tr>
<td>Passenger Boarding Bridge</td>
<td>111330</td>
<td>5,000</td>
<td>Equipment and Furnishings</td>
<td>10</td>
<td>including pre-conditioned air point of use unit</td>
</tr>
<tr>
<td>Power Distribution System</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>40</td>
<td>cabling, duct bank conduit, transformer, housing, switch gear, substation, load center etc.</td>
</tr>
<tr>
<td>Roadway Signage</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>10</td>
<td>signs not inside buildings</td>
</tr>
<tr>
<td>Roadway/Sidewalk</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Runway/Taxiway/Asphalt Apron</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>10</td>
<td>airfield lighting, runway, taxiway and asphalt apron</td>
</tr>
<tr>
<td>Concrete Apron</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>20</td>
<td>concrete apron</td>
</tr>
<tr>
<td>Seawall</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Sign Bridge</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>40</td>
<td>on Freeway</td>
</tr>
<tr>
<td>Special System</td>
<td>111330</td>
<td>5,000</td>
<td>Equipment and Furnishings</td>
<td>10</td>
<td>Aviation security monitoring systems such as access control, PSIM, CCTV, VMS</td>
</tr>
<tr>
<td>Storm Sewer System</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>40</td>
<td>piping, pump station &amp; related equip</td>
</tr>
<tr>
<td>Street Lighting &amp; Traffic Signal</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>20</td>
<td>20 Years</td>
</tr>
<tr>
<td>Telecom Infrastructure</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>40</td>
<td>transport mechanism (conduit, duct, manhole, etc.) for data from outside to POE. Exclude equipment.</td>
</tr>
<tr>
<td>Terminal System</td>
<td>111330</td>
<td>5,000</td>
<td>Equipment and Furnishings</td>
<td>5</td>
<td>Terminal information display systems, common use self-service kiosk, automated passport control (APC)</td>
</tr>
<tr>
<td>Tunnel/Bridge</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>40</td>
<td>bridges &amp; culverts</td>
</tr>
<tr>
<td>Water Distribution System</td>
<td>111410</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>40</td>
<td>not inside building</td>
</tr>
</tbody>
</table>
# Appendix F: Fixed Asset Addition Form

## SAN FRANCISCO AIRPORT COMMISSION
### FIXED ASSET ADDITION FORM
(Appendix F)

<table>
<thead>
<tr>
<th>Area ID:</th>
<th>Location Code:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset Tag Barcode No.</th>
<th>Asset Description</th>
<th>Vehicle SFA No.</th>
<th>VIN/Serial No.</th>
<th>Date Asset Placed in Service</th>
<th>Maintain by Auto Shop (Yes/No)</th>
<th>Cost</th>
<th>Grant Funded (Yes/No)</th>
<th>PS Profile ID</th>
<th>Estimated Useful Life</th>
<th>Parent/Child</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>P. O. No.</th>
<th>Custodian Contact</th>
<th>Processed by</th>
<th>Date</th>
<th>Contract No.</th>
<th>Date</th>
<th>Reviewed by</th>
<th>Date</th>
<th>Contract Title</th>
<th>Date Processed in FSP</th>
</tr>
</thead>
</table>

### Instruction

1. Please complete this form and return it to Rebecca Chiu at SFO Business Center, 575 N. McDonnell Road, 2nd Floor, Accounting Office.

2. If this is a replacement of an old asset, please complete the Fixed Asset Disposal Form.

3. If you have any questions, please contact Rebecca Chiu at (650) 821-2873.

Asset tag affixed by: [Print Name] (Date)

Certified by: [Division Head / Designee Signature] (Date)

### Accounting Use Only

Form: FA-A

Revised: 4/26/2019
# Appendix G: Fixed Asset Disposal Form

## SAN FRANCISCO AIRPORT COMMISSION
### FIXED ASSET DISPOSAL FORM

(Appendix G)

<table>
<thead>
<tr>
<th>Asset Code (Accounting use only)</th>
<th>Asset Tag F or Barcode #</th>
<th>Asset Description</th>
<th>Serial No.</th>
<th>Date of Disposal/Auction Pickup</th>
<th>Method of Disposal</th>
<th>Other (Please specify below)</th>
<th>Reason for Disposal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Credenza 62&quot;x20&quot;x30&quot;</td>
<td>N/A</td>
<td>Auction/Donation*/Other/Junk</td>
<td>Broken</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### INSTRUCTION

1. Please complete this form for disposal of any tagged assets and return the approved form to Rebecca Chiu at SFO Business Center, 575 N. McDonnell Road, 2nd Floor, Accounting Office.

2. If you have any questions, please contact Rebecca Chiu at (650) 821-2873.

*Donated assets must be pre-approved by OCA/Purchasing and Deputy City Attorney, Brooke Abola. If approved, please attach approval documents (e.g., Accounting Use Only)*

<table>
<thead>
<tr>
<th>Requested by:</th>
<th>(Signature &amp; Print Name) (Date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved by:</td>
<td>(Division Head/Designee Signature &amp; Print Name) (Date)</td>
</tr>
<tr>
<td>Disposed by:</td>
<td>(Signature &amp; Print Name) (Date)</td>
</tr>
<tr>
<td>Auction pickup by:</td>
<td>(Signature &amp; Print Auction Company Name) (Date)</td>
</tr>
<tr>
<td>Processed by:</td>
<td></td>
</tr>
<tr>
<td>Reviewed by:</td>
<td></td>
</tr>
<tr>
<td>Date processed in F$P:</td>
<td></td>
</tr>
</tbody>
</table>

Form: FA-D  Revised: 04/26/2019
# Appendix H: Fixed Asset Transfer Form

## SAN FRANCISCO AIRPORT COMMISSION
### FIXED ASSET TRANSFER FORM
(Appendix H)

<table>
<thead>
<tr>
<th>Asset Code (Accounting use only)</th>
<th>Asset Tag # or Barcode #</th>
<th>Asset Description</th>
<th>Serial No.</th>
<th>Transfer To: Specify SFO Section or Other City Department(*)</th>
<th>Date of Transferred</th>
<th>Reason for Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>(e.g.) 64-12345</td>
<td>Credenza 62”x20”x30”</td>
<td>N/A</td>
<td>Facilities - Auto Shop</td>
<td></td>
<td>Surplus</td>
<td></td>
</tr>
</tbody>
</table>

**INSTRUCTIONS**

1. Please complete this form to transfer ownership of any tagged assets to any SFO section and obtain signature from the receiving SFO section. *No transfer to other City department unless pre-approved by Deputy City Attorney, Brooke Abola. If approved, please attach approval documents.*

2. Please return the fully executed form to Rebecca Chiu at SFO Business.

3. If you have questions, please contact Rebecca Chiu at (650) 821-2873.

4. Received by: ____________________________ (Date)

   **Receiving SFO Division/Section:** ____________________________

   *Authorized Signature & Print Name:* ____________________________ (Date)

   **Processed by:** ____________________________ Date

   **Reviewed by:** ____________________________ Date

   **Date processed in FSP:** ____________________________

---

Form: FA-T

Revised: 04/26/2019
Appendix I: Vehicle Turn-in Request

City and County of San Francisco
Gavin Newsom
Mayor
Edwin M. Lee
City Administrator

General Services Agency
Fleet Management/Central Shops

VEHICLE TURN-IN REQUEST
The following vehicle or equipment is being turned in to the Central Shops Storeroom

DATE:

DEPARTMENT INFORMATION
Dept. Name: Airport  Dept. #: 725  Fund Group:  Asset #:

VEHICLE INFORMATION
City Vehicle ID#:  Lic. Plate#
Year: Make: Model: or Serial  Miles or Hours  (circle one: odometer or hour meter reading)
Is a fuel key(s) being turned in with the vehicle?  YES  NO
Are the ignition keys being turned in with the vehicle?  YES  NO
Does this vehicle run?  YES  NO

Describe the general condition (e.g.: body damage, brakes bad, etc.)
List any attached equipment (e.g.: 2-way radio, light bar, siren, winch, etc.)

THIS VEHICLE OR EQUIPMENT IS BEING TURNED IN FOR THE FOLLOWING REASON
☐ To reduce fleet size (no longer needed)
☐ It is being replaced by vehicle or equipment #:
☐ It is being turned in as a credit against a future replacement

DEPARTMENT AUTHORIZATION

Print name (authorized department designee)  Sign  Phone#

(CENTRAL SHOPS USE ONLY)  Staff name:  Date:  /  

Location / Stall#

Comments

Fleet Management/Central Shops  1600 Jerrold Avenue, San Francisco, CA 94124  Tel. (415) 550-4690  Fax (415) 550-4611
Form #: FMG102 (revised 06/09)
Appendix J.1 – Vehicles: Disposal of Airport Surplus Property Flowchart
Appendix J.2 – Non-ITT Supported Equipment: Disposal of Airport Surplus Property Flowchart
Appendix J.3 – ITT Supported Equipment: Disposal of Airport Surplus Property Flowchart
Accounting Policies and Procedures

Appendix J.4 – Scrap Metal: Disposal of Airport Surplus Property Flowchart
Accounting Policies and Procedures

Appendix J.5 – Furniture: Disposal of Airport Surplus Property Flowchart
Appendix K: CIP Flowchart
EXECUTIVE DIRECTIVE

18-02 Relocating/Moving Policy and Procedures

STATEMENT OF PURPOSE

This policy and procedure directive has been developed to provide guidance to Airport divisions that are involved in office/space relocations (moves).

POLICY

Moves will be conducted in conformance with City and Airport policies and the operating procedure outlined below. City and Airport Policy References:

1. The San Francisco Administrative Code Chapter 21.03(i) Disposal of Surplus. The San Francisco Administrative Code may be found at www.amlegal.com/codes/client/san-francisco_ca/

2. The San Francisco Environment Code Chapter 5 Resource Conservation Ordinance. The San Francisco Environment Code may be found at www.amlegal.com/codes/client/san-francisco_ca/

3. The Airport’s Construction-in-Progress and Fixed Asset Accounting Procedures, as most recently updated (the “Airport Fixed Asset Accounting Procedures”).

In addition, post-move procedures are being implemented in furtherance of the Airport’s compliance with restrictions on revenue diversion and disposal of tax-exempt bond financed assets as provided under federal law.

PROCEDURES

The division being relocated is accountable for:

1. Checking with Pavement and Grounds to see if they can accommodate your move. If not, you will need to contract with a mover through Purchasing.

2. Coordinating with the Accounting Process Control Group to inventory all items being moved and items left behind.

3. For computer, network, and phone hardware, contacting the Information Technology & Telecommunications Service Desk to coordinate the asset management process and complete proper handling of related inventory.

4. Informing Aviation Management and the Security Access Office when the move will occur. Aviation Management will have the locks changed to the vacant tenant master core and key. Security Access Office will ensure that employee badges are activated for the new location and deactivated as appropriate for the old location.

5. Informing the SFO Museum about the move so that appropriate measures may be taken to protect and/or relocate artwork during and/or after the move.
6. Informing Human Resources about the move so that each employee’s work location can be updated accurately.

7. Communicating to all division staff reasonable guidelines for personal workspace items (e.g., desk lamps, space heaters, small appliances, etc.) that will or will not be necessary or appropriate for use in the new location.

8. Communicating to all division staff that all non-personal, City-owned items in the old space, even if being left behind, remain City/Airport property, are not available for personal use, and should not be removed from the premises.

9. If you are moving a large group (such as an entire work unit or division), notify the Chief Operating Officer’s office of the move so emergency response units such as Fire and Police can be advised.

10. At the end of the moving day, make sure the vacated premises are secured.

11. Collect issued keys to the old premises, complete the key disposition form, and return them to the Security Access Office as soon as possible.

12. The day after the move is completed, inventory remaining assets left behind if you haven’t already.

13. Contact the Airport Safety, Health & Wellness Division to assess if the remaining chairs and/or ergonomic aids can be redeployed to other Airport work areas.

14. After Safety, Health & Wellness has selected the items for redeployment, the division that moved will notify all other divisions of the inventory available for reassignment within five working days of the move and allow a one week window for any interested division to inspect and select item(s).
   a. With the approval of the respective Division Head, the receiving division will make arrangements with Pavement & Grounds to move the item(s).
   b. If the item has a SFIA asset tag, complete and submit the “Fixed Asset Transfer” form and follow all other applicable procedures in the Airport Fixed Asset Accounting Procedures.

15. Once the inspection window closes, the division that moved will properly dispose of any remaining assets in accordance with the Airport Fixed Asset Accounting Procedures, section 6, Disposals.
   a. Airport assets should not be listed on or exchanged through the SF Virtual Warehouse or otherwise provided to another City department unless approved by the Managing Director, Finance, in consultation with the Airport General Counsel/Legal Division.
Executive Directive 18-02  
Relocating/Moving Policy and Procedures  
Page 3 of 3

b. Airport assets should not be donated to a nonprofit or other organization unless approved by both the Managing Director, Finance, in consultation with the Airport General Counsel/Legal Division, and the City Purchaser.

16. Keep a current inventory of assets as further described in the Airport Fixed Asset Accounting Procedures, including in section 8, Non-Capital Items.

If a single division’s move is occurring on multiple dates, steps 1, 3, 4, 5, 6, 7, 8 and 9 should be taken for each moving date, while the other steps need only be taken once, after the last moving date has occurred, noting that the division manager may vary from this suggested approach in such manager’s reasonable discretion.

Ivar C. Satero  
Airport Director

Issue Date: May 1, 2018  
Effective Date: Immediately  
Appendix M: Hotel Asset Management

AIRPORT COMMISSION
SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO
INTEROFFICE MEMORANDUM

TO: Leo Fermin
FROM: Wallace Tang
Anwar Elgonemy
SUBJECT: Asset Management – Grand Hyatt at SFO

DATE: May 1, 2018

For the reasons stated below, we recommend that SFO does not implement the tagging or tracking of non-capital assets in the Hotel.

Background

SFO divisions are responsible for tracking capital and non-capital assets in their possession. In accordance with SFO’s construction-in-progress and fixed asset accounting procedures, a fixed (capital) asset is equipment or an asset created by a capital project that has an estimated useful life greater than one year and meets the capitalization threshold ($5,000 for equipment and $100,000 for infrastructure and buildings). A non-capital item has an estimated useful life of less than one year or a historical cost of less than $5,000 for equipment.

Each division is responsible for notifying Accounting of any disposals or transfers of fixed assets within SFO divisions and responding to annual fixed asset inventory confirmation requests from Accounting. A fixed asset is tagged with a blue barcode and is tracked in FSP for financial reporting purposes. Each division is also responsible for developing its own non-capital asset tracking procedure.

Applicability to Hotel

The purchase price and an inventory of the Hotel’s capital and non-capital items will be provided by the Purchasing Agent’s vendors to Hotel Asset Management and SFO Accounting to determine the accounting treatment. Examples of non-capital items planned for the Hotel include, but are not limited to, televisions, mattresses, bed frames, etc. Silverware, glassware, chinaware, linens, and similar items are considered materials and supplies, and are not subject to the tagging or tracking requirements of the accounting procedures. For fixed assets, Accounting will work with the Hotel Asset Manager and Hyatt to perform the required tagging.
Asset tagging is not commonly applied in the hotel industry. In addition, Hyatt will implement sophisticated anti-theft/loss systems in the Hotel to prevent loss of any assets. Finally, the Hotel Asset Manager will receive budget and expenditure reports and can use those to monitor the purchase of replacement stock as a further oversight measure. For these reasons, we are recommending that SFO does not tag or track the non-capital assets in the Hotel.

Approved by: [Signature]  
Chief Business & Finance Officer  

Dated: 5.2.18

cc: Brooke Abola  
Sarah García  
Louise Ho