



Board of Public Works and Safety

Agenda Item

Cover Sheet

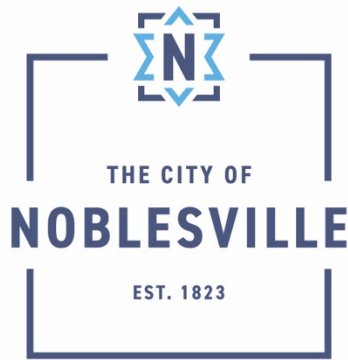
MEETING DATE: May 14, 2024

- Consent Agenda Item
- New Item for Discussion
- Previously Discussed Item
- Miscellaneous

ITEM #: 3

INITIATED BY: Caitlin Moss

- Information Attached
- Bring Paperwork from Previous Meeting
- Verbal
- No Paperwork at Time of Packets



TO: Members of the Board of Public Works and Safety
FROM: Caitlin Moss, Deputy Controller
SUBJECT: City Capital Asset Policy - Amendment
DATE: May 14, 2024

I recommend the Board of Public Works approve the City's Capital Asset Policy as amended.

The amendment to the policy includes removal of tracking inventory of items costing between \$500 and \$4,999. The inventory is not included in the City's annual comprehensive financial report and does not benefit the City's operations. This amendment aims to increase reporting efficiency.

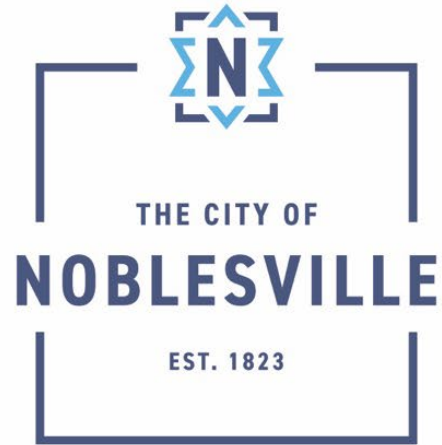
Additional updates include modernization of language and removal of an outdated procedural form.

A copy of the amended policy is attached for your review.

I am available at your call for any questions about this agreement.

Attachment

CM/jnt



FINANCE & ACCOUNTING

Capital Asset Policy

Section Policy

- 1.1 General Information
- 1.2 Definition of Capital Assets
- 1.3 Valuation of Capital Assets
- 1.4 Asset Definitions by Major Category
- 1.5 Depreciation Methods
- 1.6 Capital Asset Acquisition
- 1.7 Asset Transfers and Dispositions
- 1.8 Periodic Inventories
- 1.9 Responsibilities of Office of Finance & Accounting
- 1.10 Responsibilities of Department Directors

1.1 General Information

The Fixed Asset Policy is being amended effective June 1, 2024. The new policy will be referred to as the **Capital Asset Policy**. This Policy is being issued to document the minimum value of capital assets to be reported on our financial reports and to include infrastructure assets. This amendment of the policy document is related to the modernization of fiscal policies for the City. The capital asset threshold will be \$5,000.00. An asset with a value under \$5,000.00 will be expensed in the year of purchase. The infrastructure portion of this policy is also effective June 1, 2024.

The City Utility will follow this same definition of capital assets and policy as stated above.

The City of Noblesville has established a Capital Asset Policy in order to provide a higher degree of control over its considerable investment in capital assets, and to be able to demonstrate accountability to its various constituencies; citizens, rate-payer, oversight bodies and regulators. All public information pertaining to capital assets will be made available in the Annual Comprehensive Financial Report (ACFR).

The purpose of establishing a Capital Policy is fivefold:

1. to safeguard the investments of the citizens of Noblesville
2. to fix responsibility for the custody of equipment,
3. to provide a basis for formulating capital asset acquisition, maintenance and retirement policies,
4. to provide data for financial reporting,
5. to demonstrate appropriate stewardship responsibility for public assets.

This policy will only serve to classify capital assets, including fixed and infrastructure, for accuracy in financial reporting through the Indiana State Board of Accounts. It does not include data processing, programming requirements, or computer operations procedures.

1.2 Definition of Capital Assets

Capital assets include: land, land improvements, including monuments, buildings, building improvements, construction in progress, machinery and equipment, vehicles and infrastructure. All land will be capitalized but not depreciated. All items with a useful life of more than one year and having a unit cost of \$5,000.00 or more shall be capitalized (including acquisitions by lease-purchase agreements and donated items). A capital asset meeting the criteria will be reported and depreciated in the government-wide financial statements.

Exceptions are:

- items costing less than the above limits which are permanently installed as a part of the cost of original construction or installation of a large building or equipment unit which will be included in the cost of the larger unit,
- modular equipment added subsequent to original equipment construction of a larger building or equipment unit which may be put together to form larger units costing more than the prescribed limits will be charged to capital assets even though the cost of individual items is less than such units,
- cabinets, shelving, bookcases, and similar items, added subsequent to original construction, which are custom made for a specific place and adaptable elsewhere, will be capitalized,

NOTE: Purchases made using grant funds must comply with grant requirements or the above procedures, whichever are the most restrictive.

Threshold levels for capital assets

The following schedule will be followed for the different types of capital assets other than infrastructure assets:

	<u>Capitalize/Depreciate</u>
Land	All/Capitalize only
Land Improvements	\$5,000.00
Building	\$5,000.00
Building Improvements	\$5,000.00
Construction in Progress	All/Capitalize only
Machinery and Equipment	\$5,000.00
Vehicle	\$5,000.00
City Utility Assets	\$5,000.00

Infrastructure Retroactive Reporting

at the network level, the asset will be classified as major if the cost of the network item is at least 10% of the cost of all capital assets in fiscal year 1999. A network will be defined as a group of similar assets that serve a particular function or purpose for the City of Noblesville.

At the subsystem level, the asset will be classified as major if the cost of the subsystem item is at least 5% of the cost of all capital assets in fiscal year 1999. A subsystem will be defined as a segment of a network of assets that serve a similar function for the City of Noblesville.

1.3 Valuation of Capital Assets

Capital assets must be recorded at actual cost. Normally the cost recorded is the purchase price or construction costs of the asset, but also included is any other reasonable and necessary costs incurred to place the asset in its intended location and intended use. Such costs could include, but are not limited to, the following:

- legal and title fees, closing costs,
- appraisal and negotiation fees, surveying fees,
- damage payments,
- land preparation costs, demolition costs,
- architect, engineering and accounting fees,
- insurance premiums during construction,
- transportation charges,
- interest costs during construction

Donated or contributed assets should be recorded at their fair market value on the date donated.

1.4 Asset Definitions by Major Category

It is important to the maintenance of accurate records that each asset category be precisely defined and that all persons responsible for records maintenance be fully aware of the categorization system. This section further clarifies the asset definitions by major category.

Land

Land is defined as specified land, lots, parcels or acreage including rights of way, owned by the City of Noblesville, its various departments, boards or authorities, regardless of the method or date of acquisition. Easements will be included except utility easements.

Improvements Other than Buildings

Examples of Civil City assets in this category are walks, parking areas and drives, fencing, retaining walls, pools, fountains, planters, underground sprinkler systems, and other similar items.

Examples of City Utilities assets in this category are water supply mains, collection sewers, wells, dams, fences, intake pipes, manholes, and fire hydrants.

Buildings

All structures designed and erected to house equipment, services, or functions are included. This includes systems, services, and fixtures within the buildings, and attachments such as porches, stairs, fire escapes, canopies, areaways, lighting fixtures, flagpoles, and all other such units that serve the building.

Plumbing systems, lighting systems, heating, cooling, ventilating and air handling systems, alarm systems, sound systems, surveillance systems, passenger and freight elevators, escalators, built-in casework, walk-in coolers and freezers, fixed shelving, and other fixed equipment are included with the building, if owned. Communication antennas and/or towers are not included as buildings. These are parts of the equipment units that they serve.

Equipment

Equipment includes all other types of physical property within the scope of the Fixed Asset Management System not previously classified. Included within the category are office mechanical equipment, office furniture, appliances, furnishings, machinery items, maintenance equipment, communication equipment, police, fire, sanitation and park department, street department, engineer department, and planning department, laboratory equipment, vehicles, road equipment, aircraft, emergency equipment, earth moving equipment, test equipment, civil defense equipment, and data processing equipment. All supplies are excluded.

Infrastructure

Infrastructure assets are long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets and that are normally stationary in nature. Examples include roads, streetlights, traffic signals, drainage systems. Infrastructure assets do not include buildings, drives, parking lots or any other examples given above that are incidental to property or access to the property above.

Additions and improvements to infrastructure, which increase the capacity or efficiency of the asset, will be capitalized. Preservation costs that extend the useful life of an asset beyond its previously established life are capitalized. Maintenance/repairs will be considered as necessary to maintain the existing asset, and therefore not capitalized. For example, patching, resurfacing, snow removal, etc., are considered maintenance activities and will be expensed. Also, normal department operating activities such as feasibility studies, and preliminary engineering and design, will be expensed and not capitalized as an element of the infrastructure asset.

Alleys will not be included as part of infrastructure for the following reason:

Existing improved alleys will be maintained as paved alleys, and the City is responsible only for the maintenance, such as patching and repairing. Therefore, the City will not track and value alleys, and the patching/repairs will be expensed as they occur.

1.5 Depreciation Methods

The City will be depreciating capital assets by using the straight-line method. Salvage value will be determined on an asset-by-asset basis. Depreciation will be calculated at year-end. No depreciation will be recorded in the year an asset is acquired. A full year of depreciation will be recorded in the last year of an asset's estimated useful life. Land is not depreciated according to general accepted accounting principles.

A network of assets is composed of all assets that provide a particular type of service for government. A subsystem of a network of assets is composed of all assets that make a similar portion or segment of a network of assets. The following will be the breakdown of our networks and subsystems:

Roads/Streets Network

Subsystems: Type of Streets

Curbs

Sidewalks

Drainage Systems Network

Straight-line Depreciation

All assets accounted for under the Capital Asset Policy will be depreciated using the straight-line method of depreciation. A gain or loss on disposal will be recorded. Following is a list of the most common useful lives:

- Vehicles - 5 years
- Office Equipment - 5 years
- Office Furniture - 20 years
- Heavy Equipment - 10 years
- Fire Trucks - 15 years
- Buildings - 50 years
- Building Components (HVAC systems, roofing) -20 years
- Leasehold Improvements - useful life of asset or lease term (whichever is shorter)
- Land Improvements - structure (parking lots, athletic courts, Swimming pools)- 20 years
- Land Improvements - groundwork (golf course, athletic fields, Landscaping, fencing) - 20 years
- Outdoor Equipment - (playground equipment, emergency warning sirens)
- 15 years
- Outdoor Equipment- (radio tower) 25 years
- Grounds Equipment - (mowers, tractors, attachments) - 15 years
- Computer Hardware - 3 years
- Computer Software - 5 years

- Infrastructure
 - Roads - 45 years
 - Sidewalks - 45 years
 - Curbs - 45 years
 - Drainage Systems - 50 years

City Utilities' useful lives are as follows:

Sewer

- Buildings and Improvements - 50 years
- Sewer Lines - 50 years
- Combined Sewer Overflow - 50 years
- Lift Station - 50 years
- Treatment Plant/Equipment- 10 years
- Office Equipment - 5 years
- Miscellaneous Operating Equipment - 5 years
- Vehicles - 5 years

1.6 Capital Asset Acquisitions

The method of acquisition is not a determining factor. Each department should report items acquired by:

- Regular purchases,
- Lease purchase - see below,
- Construction by City personnel,
- Construction by an outside contractor,
- Resolution/condemnation,
- Donation/contribution,
- Addition to an existing asset,
- Transfer from another department,
- Trade or barter,
- Annexation

Leased equipment should be capitalized if the lease agreement meets any one of the following criteria:

- The lease transfers ownership of the property to the lessee by the end of the lease term
- The lease contains a bargain purchase option
- The lease term is equal to 75 percent of the estimated economic life of the leased property
- The present value of the minimum lease payments at the inception of the lease, excluding executory cost, equals at least 90 percent of the fair value of the leased property.

Leases that do not meet any of the above criteria should be recorded as an operating lease and reported in the notes of the financial statement.

1.7 Asset Transfers and Dispositions

Property should not be transferred, turned-in for action, or disposed of without prior approval of the department head. All deletions or transfer shall be logged on the Deletions or Transfer List. This form is a dual-purpose form for transfer (defined as any movement of an asset by virtue of change in location, either by account, department, building, floor, or room) or retirement (disposal) of property.

The main points to be remembered when using this form are:

- always provide sufficient detail to properly identify the asset, most importantly the asset number and serial number, if applicable
- print legibly
- complete each column for every asset listed on the form
- enter information on correct form, depending on whether you are transferring or deleting an asset
- have Department Head sign at the bottom of the form
- return the form to the Office of Finance & Accounting

If an asset is lost or stolen, the department shall notify the Police Department as well as the Management Analyst in the Office of Finance & Accounting.

1.8 Periodic Inventories

A physical inventory of all capital assets (any item over \$5,000.00) will be conducted in each department on or about December 31 of every year. The Management Analyst will conduct spot checks on a random basis. Department heads will be accountable for the capital asset inventory charged to their departments by verifying a list of their capital assets.

1.9 Responsibilities of the Office of Finance & Accounting

The Fiscal Officer will ensure that accounting for capital assets is being exercised by establishing a capital asset inventory, both initially and periodically in subsequent years. The Fiscal Officer will further ensure that the capital asset report will be updated annually to reflect additions, retirements, and transfers and to reflect the new, annual capital asset balance for financial reporting purposes and the annual and accumulated depreciation calculation.

1.10 Responsibilities of Department Directors

It is the responsibility of the department director to act as or designate a steward for each piece of property. The steward will become the focal point for questions regarding the availability, condition, and usage of the asset, as well as the contact during the physical inventory process.

Someone should be designated to record the receipt of the asset, to examine the asset to make sure that no damage was incurred during shipment and to make sure that the asset was received in working order.

The steward is also responsible for arranging for the necessary preventative maintenance and any needed repairs to keep the asset in working condition. It is necessary to have a responsible person available for questions that arise during a physical inventory. The steward ensures that the asset is used for the purpose for which it was acquired and that there is no personal or unauthorized use. In addition, the steward should report any property damage or theft.

All of which is approved by the Board of Public Works and Safety of the City of Noblesville
this _____ day of _____ 2024.

JACK MARTIN, PRESIDENT

JOHN DITSLEAR, MEMBER

LAURIE DYER, MEMBER

ROBERT J. ELMER, MEMBER

RICK L. TAYLOR, MEMBER

ATTEST:

EVELYN L. LEES, CLERK
CITY OF NOBLESVILLE, INDIANA

CITY OF NOBLESVILLE

Capital Asset Policy

<u>Section</u>	<u>Policy</u>
1.1	General Information
1.2	Definition of Capital Assets
1.3	Valuation of Capital Assets
1.4	Asset Definitions by Major Category
1.5	Depreciation Methods
1.6	Capital Asset Acquisition
1.7	Asset Transfers and Dispositions
1.8	Periodic Inventories
1.9	Responsibilities of Clerk-Treasurer
	Office <u>Management Analyst</u>
1.10	Responsibilities of Department Directors

1.1 General Information

The Fixed Asset Policy is being ~~issued~~amended -effective ~~January 1, 2003~~June 1, 2024. The new policy will be referred to as the **Capital Asset Policy**. This Policy is being issued to document the minimum value of capital assets to be reported on our financial reports and to include infrastructure assets. This issuance of a policy document is related to the implementation of new reporting model, Governmental Accounting Standards Board (GASB) Statement 34. Statement 34 will require the City to depreciate capital assets. The capital asset threshold will be \$5,000.00. An asset with a value under \$5,000.00 will be expensed in the year of purchase. The infrastructure portion of this policy is also effective ~~January 1, 2003~~June 1, 2024.

The City Utility will follow this same definition of capital assets and policy as stated above.

The City of Noblesville has established a Capital Asset Policy in order to provide a higher degree of control over its considerable investment in capital assets, and to be able to demonstrate accountability to its various constituencies; citizens, rate-payer, oversight bodies and regulators. All public information pertaining to capital assets will be made available in the ~~Comprehensive Annual~~ Annual Comprehensive Financial Report (~~CAFR~~) (ACFR).

The purpose of establishing a Capital Policy is fivefold:

1. to safeguard the investments of the citizens of Noblesville
2. to fix responsibility for the custody of equipment,
3. to provide a basis for formulating capital asset acquisition, maintenance and retirement policies,
4. to provide data for financial reporting,
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This policy will only serve to classify capital assets, including fixed and infrastructure, for accuracy in financial reporting through the Indiana State Board of Accounts. It does not include data processing, programming requirements, or computer operations procedures.

1.2 Definition of Capital Assets

Capital assets include: land, land improvements, including monuments, buildings, building improvements, construction in progress, machinery and equipment, vehicles and infrastructure. All land will be capitalized but not depreciated. All items with a useful life of more than one year, and having a unit cost of \$5,000.00 or more shall be capitalized (including acquisitions by lease-purchase agreements and donated items). A capital asset meeting the criteria will be reported and depreciated in the government-wide

financial statements.

~~Assets that are not capitalized (items <\$5,000.00) are expensed in the year of acquisition. An inventory will be kept on all computers and other equipment with a capitalized cost of <\$5,000.00 (See Section 1.8)~~

Exceptions are:

- items costing less than the above limits which are permanently installed as a part of the cost of original construction or installation of a large building or equipment unit which will be included in the cost of the larger unit,
- modular equipment added subsequent to original equipment construction of a larger building or equipment unit which may be put together to form larger units costing more than the prescribed limits will be charged to capital assets even though the cost of individual items is less than such units,
- cabinets, shelving, bookcases, and similar items, added subsequent to original construction, which are custom made for a specific place and adaptable elsewhere, will be capitalized,

NOTE: Purchases made using grant funds must comply with grant requirements or the above procedures, whichever are the most restrictive.

Threshold levels for capital assets

The following schedule will be followed for the different types of capital assets other than infrastructure assets:

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Building Improvements	\$5,000.00
Construction in Progress	All/Capitalize only
Machinery and Equipment	\$5,000.00
Vehicle	\$5,000.00
City Utility Assets	\$5,000.00

Infrastructure Retroactive Reporting

at the network level, the asset will be classified as major if the cost of the network item is at least 10% of the cost of all capital assets in fiscal year 1999. A network will be defined as a group of similar assets that serve a particular function or purpose for the City of Noblesville.

At the subsystem level, the asset will be classified as major if the cost of the subsystem item is at least 5% of the cost of all capital assets in fiscal year 1999. A subsystem will be defined as a segment of a network of assets that serve a similar function for the City of Noblesville.

1.3 Valuation of Capital Assets

Capital assets must be recorded at actual cost. Normally the cost recorded is the purchase price or construction costs of the asset, but also included is any other reasonable and necessary costs incurred to place the asset in its intended location and intended use. Such costs could include the following:

- legal and title fees, closing costs,
- appraisal and negotiation fees, surveying fees,
- damage payments,
- land preparation costs, demolition costs,
- architect, engineering and accounting fees,
- insurance premiums during construction,
- transportation charges,
- interest costs during construction

Donated or contributed assets should be recorded at their fair market value on the date donated.

1.4 Asset Definitions by Major Category

It is important to the maintenance of accurate records that each asset category be precisely defined and that all persons responsible for records maintenance be fully aware of the categorization system. This section further clarifies the asset definitions by major category.

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Improvements Other than Buildings

Examples of Civil City assets in this category are walks, parking areas and drives, fencing, retaining walls, pools, fountains, planters, underground sprinkler systems, and other similar items.

Examples of City Utilities assets in this category are water supply mains, collection sewers, wells, dams, fences, intake pipes, manholes, and fire hydrants.

Buildings

All structures designed and erected to house equipment, services, or functions are included. This includes systems, services, and fixtures within the buildings, and attachments such as porches, stairs, fire escapes, canopies, areaways, lighting fixtures, flagpoles, and all other such units that serve the building.

Plumbing systems, lighting systems, heating, cooling, ventilating and air handling systems, alarm systems, sound systems, surveillance systems, passenger and freight elevators, escalators, built-in casework, walk-in coolers and freezers, fixed shelving, and other fixed equipment are included with the building, if owned. Communication antennas and/or towers are not included as buildings. These are parts of the equipment units that they serve.

Equipment

Equipment includes all other types of physical property within the scope of the Fixed Asset Management System not previously classified. Included within the category are office mechanical equipment, office furniture, appliances, furnishings, machinery items, maintenance equipment, communication equipment, police, fire, sanitation and park department, street department, engineer department, and planning department, laboratory equipment, vehicles, road equipment, aircraft, emergency equipment, earth moving equipment, test equipment, civil defense equipment, and data processing equipment. All supplies are excluded.

Infrastructure

Infrastructure assets are long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets and that are normally stationary in nature. Examples include roads, streetlights, traffic signals, drainage systems. Infrastructure assets do not include buildings, drives, parking lots or any other examples given above that are incidental to property or access to the property above.

Additions and improvements to infrastructure, which increase the capacity or efficiency of the asset, will be capitalized. Preservation costs that extend the useful life of an asset beyond its previously established life are capitalized. Maintenance/repairs will be considered as necessary to maintain the existing asset, and therefore not capitalized. For example, patching, resurfacing, snow removal, etc., are considered maintenance activities and will be expensed. Also, normal department operating activities such as feasibility studies, and preliminary engineering and design, will be expensed and not capitalized as an element of the infrastructure asset.

Alleys will not be included as part of infrastructure for the following reason:

Existing improved alleys will be maintained as paved alleys, and the City is responsible only for the maintenance, such as patching and repairing. Therefore, the City will not track and value alleys, and the patching/repairs will be expensed as they occur.

The retroactive reporting requirements for infrastructure of GASB 34 requires the City to report items put into service from 1980 forward, and give the City the option to report

items put into service prior to 1980. The City will report only on items put into service after 1980. Retroactive reporting is not mandated until fiscal years beginning after January 1, 2006 which the City will comply with.

1.5 Depreciation Methods

The City will be depreciating capital assets by using the straight-line method. Salvage value will be determined on an asset-by-asset basis. Depreciation will be calculated at year-end. No depreciation will be recorded in the year an asset is acquired. A full year of depreciation will be recorded in the last year of an asset's estimated useful life. Land is not depreciated according to general accepted accounting principles.

A network of assets is composed of all assets that provide a particular type of service for government. A subsystem of a network of assets is composed of all assets that make a similar portion or segment of a network of assets. The following will be the breakdown of our networks and subsystems:

Roads/Streets Network

Subsystems: Type of Streets

Curbs

Sidewalks

Drainage Systems Network

Straight-line Depreciation

All assets accounted for under the Capital Asset Policy will be depreciated using the straight-line method of depreciation. A gain or loss on disposal will be recorded. Following is a list of the most common useful lives:

- Vehicles - 5 years
- Office Equipment - 5 years
- Office Furniture - 20 years
- Heavy Equipment - 10 years
- Fire Trucks - 15 years
- Buildings - 50 years
- Building Components (HVAC systems, roofing) -20 years
- Leasehold Improvements - useful life of asset or lease term (whichever is shorter)
- Land Improvements - structure (parking lots, athletic courts, Swimming pools)-20 years
- Land Improvements - ground work (golf course, athletic fields, Landscaping, fencing) - 20 years
- Outdoor Equipment - (playground equipment, emergency warning sirens)
15 years
- Outdoor Equipment- (radio tower) 25 years
- Grounds Equipment - (mowers, tractors, attachments) -
15 years

- Computer Hardware - 3 years
- Computer Software - 5 years
- Infrastructure
 - Roads - 45 years
 - Sidewalks - 45 years
 - Curbs - 45 years
 - Drainage Systems - 50 years

City Utilities' useful lives are as follows:

Sewer

- Buildings and Improvements - 50 years
- Sewer Lines - 50 years
- Combined Sewer Overflow - 50 years
- Lift Station - 50 years
- Treatment Plant/Equipment- 10 years
- Office Equipment - 5 years
- Miscellaneous Operating Equipment - 5 years
- Vehicles - 5 years

1.6 Capital Asset Acquisitions

The method of acquisition is not a determining factor. Each department should report items acquired by:

- Regular purchases,
- Lease purchase - see below,
- Construction by City personnel,
- Construction by an outside contractor,
- Resolution/condemnation,
- Donation/contribution,
- Addition to an existing asset,
- Transfer from another department,
- Trade or barter,
- Annexation

Leased equipment should be capitalized if the lease agreement meets any one of the following criteria:

- The lease transfers ownership of the property to the lessee by the end of the lease term
- The lease contains a bargain purchase option
- The lease term is equal to 75 percent of the estimated economic life of the leased property

- The present value of the minimum lease payments at the inception of the lease, excluding executory cost, equals at least 90 percent of the fair value of the leased property.

Leases that do not meet any of the above criteria should be recorded as an operating lease and reported in the notes of the financial statement.

1.7 Asset Transfers and Dispositions

Property should not be transferred, turned-in for action, or disposed of without prior approval of the department head. ~~All deletions or transfer shall be logged on the Deletions or Transfer List. A Vehicle/Equipment Out processing checklist will be sent to the City Clerk-Treasurer's Office in all cases.~~ This form is a dual-purpose form for transfer (defined as any movement of an asset by virtue of change in location, either by account, department, building, floor, or room) or retirement (disposal) of property.

The main points to be remembered when using this form are:

- always provide sufficient detail to properly identify the asset, most importantly the ~~asset's tag number or City ID~~ asset number and serial number, if applicable
- ~~be accurate and do not m-lerlook any of the needed entries~~
- print legibly or type
- complete each column for every asset listed on the form
- enter information ~~in-on~~ correct row/form, depending on whether you are transferring or deleting an asset
- have Department Head sign at the bottom of the form
- return the form to the Clerk-Treasurer's Office Office of Fianace & Accounting

If an asset is lost or stolen, the department shall notify the Police Department as well as the ~~Clerk-Treasurer's Office~~ Management Analyst.

1.8 Periodic Inventories

A physical inventory of all capital assets (any item over \$5,000.00) will be conducted in each department on or about December 31 of every year. The ~~Clerk-Treasurer's~~ Management Analyst office will conduct spot checks on a random basis. Department heads will be accountable for the capital asset inventory charged to their departments by verifying a list of their capital assets, at year-end.

~~In addition to the capital asset inventory, an annual review and verification of other equipment inventories must be conducted each December 31. The Clerk-Treasurer's office will provide inventory reports for other equipment by department. Each department head should ensure that all such items are accounted for.~~

1.9 Responsibilities of Clerk-Treasurer's Office the Management Analyst

The Fiscal Officer will ensure that accounting for capital assets is being exercised by establishing a capital asset inventory, both initially and periodically in subsequent years. The Fiscal Officer will further ensure that the capital asset report will be updated annually to reflect additions, retirements, and transfers and to reflect the new, annual

capital asset balance for financial reporting purposes and the annual and accumulated depreciation calculation. ~~Asset lists for other equipment will also be maintained and updated annually for additions, retirements and transfers by the Office of the Clerk-Treasurer.~~

1.10 Responsibilities of Department Directors

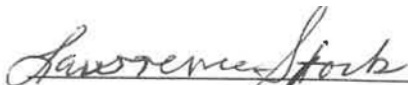
It is the responsibility of the department director to act as or designate a steward for each piece of property. The steward will become the focal point for questions regarding the availability, condition, and usage of the asset, as well as the contact during the physical inventory process.

Someone should be designated to record the receipt of the asset, to examine the asset to make sure that no damage was incurred during shipment and to make sure that the asset was received in working order.


The steward is also responsible for arranging for the necessary preventative maintenance and any needed repairs to keep the asset in working condition. It is necessary to have a responsible person available for questions that arise during a physical inventory. The steward ensures that the asset is used for the purpose for which it was acquired and that there is no personal or unauthorized use. In addition, the steward should report any property damage or theft.

This policy is hereby adopted this **J3;J** day of **JM:-:t**, 2004 by the Board of Public Works and Safety.

John • slear, Mayor

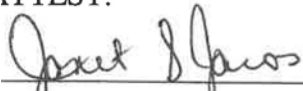


Lawrence Stork, Member



Jack Martin, Member

WITTEST:



and S. Jaros, Clerk- Treasurer