

RESOLUTION NO. 06-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLVILLE, WASHINGTON, ADOPTING POLICIES, AND PROCEDURES FOR THE FIXED ASSET PROGRAM AND REPEALING RESOLUTION 09-00 IN ITS ENTIRETY.

The City Council of the City of Colville, Washington, does hereby resolve as follows:

Section 1:

CITY OF COLVILLE FIXED ASSETS POLICY AND PROCEDURES

The following policies and procedures document a fixed asset program designed to comply with all statutory requirements and increase control over those assets for which the city has stewardship responsibilities. The intent of these policies is to obtain accountability over assets, provide centralized documentation for insurance purposes, meet financial reporting needs, and generate asset management information.

I. POLICY

It is the policy of the city to maintain accountability over all tangible fixed assets having a life exceeding one year and costing \$5,000 (including tax) or more. The asset records shall be verified by a physical inventory at least once a year by each department.

A. GENERAL

Assets in the system include all land, buildings, machinery and equipment valued at \$5,000 or more (including sales tax). Small tools and equipment or attractive items (cameras, radios, etc.) under \$5,000 may be included if the responsible department/fund desires to control them. However, no dollar amounts would be entered on these small or attractive items.

B. RESPONSIBILITY OF DEPARTMENT HEADS

The City Treasurer will establish a fixed assets system and prepare guidelines for the annual inventory. By January 31st of each year the Treasurer's Office will supply the department heads or the Mayor with a preliminary worksheet of assets as of December 31st from the prior year. A physical inventory of all assets will be conducted annually by the department that will be reviewed by the supervisor or department head.

To assist in accountability and theft prevention, each department head shall be held responsible for all property assigned to his/her department.

Each department/fund shall notify the Treasurer of any additions, deletions, interdepartmental transfers, modifications, or leases of property that are not reflected on the preliminary list. The Treasurer will ensure the appropriate changes are made to the departments/funds fixed asset records.

C. ASSET IDENTIFICATION

All property will be assigned a unique city identification number by the Treasurer's office. The assigned number will follow the asset throughout its life in the city's fixed asset program.

Whenever feasible, each piece of property will be tagged or marked with the city identification number on the upper right hand corner. Such markings will be removed or obliterated only when the item is sold, scrapped, cannibalized, or otherwise disposed of. Should the ID number be removed or defaced, the item shall be marked with a replacement number.

If the asset is purchased with grant funding, the identification number will reference the grant with a identifying project code. In the case of surplusing, the contract needs to be reviewed for compliance issues. In some cases the grant source would need to approve selling or surplusing such assets.

II. PROCEDURES

A. ADDITIONS

The city may acquire property via purchase, construction, donation, or lease. Regardless of how it is acquired, when the property is received, the purchasing department/fund will complete an Asset Addition Sheet, provided by the Treasurer's office, and submit to the Treasurer's office along with a copy of the invoice at the same time they submit it to the clerk's office for payment. The Treasurer's office will immediately assign and notify the department/fund of the city identification number. The department/fund will immediately tag the item with the identification number provided by the Treasurer's office. The Treasurer's office will input the information from the asset control sheet to the fixed asset program on the computer.

B. DELETIONS

Assets previously acquired will eventually be disposed of and need to be deleted from the Fixed Asset program. Deletion may be required due to a sale of the asset, scrapping, mysterious disappearance (lost or stolen), or involuntary conversion (fire, flood, etc.). Due to the monetary value, assets deleted from the fixed asset program, whatever the reason, will require authorization from both the department head and the Mayor.

The selling of City assets will comply with the City's surplus policy. Before disposal of a destroyed or damaged asset, the department head and Mayor must verify that the asset is no longer of value to the City.

The department head controlling the asset is the only one in position to trigger removal from the Fixed Asset records. Removal is accomplished by filling out an Asset Disposal Sheet, provided by the Treasurer's office, and obtaining authorizing signatures from the department head and the Mayor, and then forwarding it to the Treasurer's office.

Lost or stolen items may require additional reports. Deletions brought about as a result of natural disasters would require reporting to the insurance provider for an eventual reimbursement.

C. TRANSFERS

Occasional transfers of property between departments or funds may occur. The original controlling department/fund is accountable for all assets in its inventory and is responsible for initiating a notice of transfer. The department/fund receiving the asset must acknowledge that it is accepting responsibility for the asset.

Interdepartmental transfers involving a proprietary fund (i.e. Water/Sewer) need to have a transfer of money. The sale price will be fair market value, which may result in a gain or a loss on sale of fixed assets. Interdepartmental transfers or intergovernmental (i.e. city to County or State) do not require the city to declare the item surplus or to do a public notice.

D. MODIFICATIONS

Larger assets such as major pieces of equipment, water or sewer lines, and many buildings are often modified to increase their lifetime or usefulness. Modification may include partial additions or deletions, major repairs (new engine for fire truck), or component replacement (new roof, heating system, etc.).

Several vouchers may be prepared for the modification as the work is in progress. It is very important to notify the Treasurer's office that modifications are coded as capital outlay when given to the Clerk's office for payment. Copies of all invoices and vouchers shall be submitted to the Treasurer's office at the same time they are submitted to the clerk's office for payment. The identification number should be included on the voucher of the equipment, building, or other structure reflecting what is being modified.

E. INVENTORY

The Treasurer's office will distribute a listing of assets, by department/fund, to be used as an inventory worksheet. Inventory teams, consisting of an assigned department employee, will take the worksheets to their assigned areas and locate everything on the list and the results will be reviewed by the department head. Any inventoriable items found not numbered will be noted and added to the worksheet. All items lacking a city identification tag will be tagged if at all feasible.

A physical inventory by department/fund will be conducted annually to verify the existence and condition of all items in the fixed asset records. Every two years the Treasurer's office will assist with the physical inventory verification of each department during the summer or fall months. When reconciled, the inventory provides evidence that department heads are meeting their stewardship duty over their assets. An inventory may also help the department plan for future purchases by identifying unanticipated wear and tear of equipment before the equipment breaks down.

To provide the best possible control, the department heads responsible for assets should not be the ones doing the physical inventory. He or she should assign an employee from

their staff or obtain an independent person from the Fiscal department to conduct the inventory. The department head will do a reconciliation of the resulting reports before signing and turning it in to the Treasurer's office.

Items not included in the inventory sheet but physically located will be assigned a city identification number by the Treasurer's office and will be added to the inventory sheets. All items lacking an identification tag will be tagged if feasible.

All land, machinery & equipment, buildings and improvements, with an original value of \$5,000 or more must be inventoried. Departments/funds need to inventory other items (less than \$5,000 value) that are sensitive or attractive (i.e. guns, cameras, chainsaws, etc.) assigned to them in their separate Small & Attractive asset listing.

F. LOST OR STOLEN ASSETS

Lost or stolen equipment must be reported to the City Mayor and City Treasurer as soon as it is discovered. If the item hasn't been found after ninety days of filing the report, the department/fund will send an Asset Missing Form to the Treasurer's office so they may remove the asset from the asset inventory. Copies of the report will be sent to the Mayor, City Council, and department head.

G. DONATED ASSETS

Assets are sometimes donated to the City. If the donation is cash to be used in conjunction with the construction of a specific asset, the donation is reported as revenue (367 contribution and donations from private sources) in governmental funds; in proprietary funds, such donations are treated as contributed capital.

If the asset donated is other than cash, its estimated fair value must be determined and recorded as contributed capital in a proprietary fund. In governmental funds, the proper treatment of the donation of fixed assets depends upon the government's plans for those assets. If the government intends to retain the fixed assets, they would be recorded directly in the General Fixed Asset Account Group (GFAAG), with no effect on the governmental fund.

H. MISCELLANEOUS

For unusual transactions not specifically addressed with these procedures, the City will follow the BARS manual's guidelines.

The city's property identification numbers are assigned by the Treasurer's office for uniformity and must be unique to a single property item. Each department/fund should maintain a register of ID numbers that identify assets under their control.

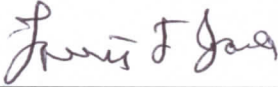
The software for the Fixed Asset program uses a 10-character field that has the capability of using alpha or numeric characters.

Section 2:

Resolution No. 09-00 is hereby repealed in its entirety.

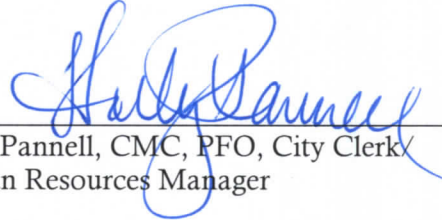
The Resolution shall take effect and be in force from the date of its passage.

Passed and adopted by the City Council of the City of Colville, State of Washington the 28th day of April, 2015.



MAYOR LOUIS F. JANKE

Attest: _____



Holly Pannell, CMC, PFO, City Clerk/
Human Resources Manager

Approved as to form:



McGrane & Schuerman, City Attorney
CHARLES P. SCHUERMAN
ResolutionNewFixedAssets