



SMALL AND ATTRACTIVE ASSETS POLICY AND PROCEDURES

The following policies and procedures documents a small and attractive system designed to ensure controls over items that might not be noticed immediately after their disappearance. The intent of this policy is to obtain accountability over items that do not meet the criteria of a fixed asset and would NOT be noticed immediately upon disappearance or replacement.

PURPOSE

A small and attractive items system gathers information allowing investigation of items missing that would otherwise not be noticed. The system should provide adequate stewardship over its resources through control and accountability.

I. POLICY

It is the policy of the city to maintain accountability over all tangible items that may have the likelihood of disappearing without being noticed. The Departments shall review and update records to be verified by a physical inventory at least once a year and provide such list to the City Clerk for monitoring differences between years.

A. GENERAL

A small and attractive item is an item that is priced under the \$5,000 criteria for fixed assets and has a life expectancy of more than one year. This item also is not likely to be missed immediately upon disappearance and could be replaced without suspicion during voucher audits. Examples include, but are not limited to: cameras, laptops, mobile public works power equipment, etc. This would not include more permanent fixtures such as desks, tables and shelving and specifically excludes small tools and minor equipment in the public works shop such as shovels, hand tools, supplies, etc.

B. RESPONSIBILITY OF DEPARTMENT HEADS

The City Clerk will prepare a list at least annually of the small and attractive items for distribution and review. The department heads or their designee will need to review, update, delete, and add new items to the list within 30 days of distribution. Typically this review will occur in January of each year.

If an item is deleted, the Department Head will note the reason and/or means of disposal.

C. ASSET IDENTIFICATION

The list will contain the serial, model, or other identifying information as identified in the spreadsheet. Whenever feasible, each piece of property will be engraved or marked with the city's name. Such markings will be removed or obliterated only when the item is sold, scrapped, cannibalized, or otherwise disposed of.

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 department purchasing the item should notify the City Clerk or keep a list for annually updating in the database (typically these items are coded as object code 35 according to the BARS manual for small tools and minor equipment but are occasionally purchased in the capital outlays under 594-595.)

B. DELETIONS

Items previously acquired will eventually be disposed of and need to be deleted from the department's list. Deletion may be required due to a sale of the asset, scrapping, mysterious disappearance (lost or stolen), or involuntary conversion (fire, flood, etc).

The department head controlling the item is the only one in position to trigger removal from their list.

Items disappearing mysteriously may require additional reports to the police department, Mayor, and Insurance Company. Deletions brought about as a result of natural disasters would require reporting to the insurance provider for an eventual reimbursement claim.

C. TRANSFERS

Occasional transfers of property between departments, individuals within a department or funds will occur. The original controlling department /fund is accountable for all items and for initiating a notice of transfer.

Interdepartmental transfers involving a proprietary fund (i.e. Water/Sewer, Garbage, etc.) 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. LOST OR STOLEN ASSETS

Whenever an item has mysteriously disappeared and all efforts have failed to recover it, the controlling department /fund shall notify the City Clerk via Memo, who will give a copy to the City Administrator and Mayor, file a police report and report to the insurance if necessary, and update the database accordingly.

E. DONATED ASSETS

Assets are sometimes donated to the City and should be added to the list of small and attractive assets if valued under \$5,000. 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.

F. SALE AND DISPOSAL OF ASSETS

The sale and disposal of all city assets regardless of purchase price are identified through various procedures in the Leavenworth Municipal Code, Chapter 3.68, and shall be disposed of per this chapter.