

RESOLUTION NO. 636

ADOPTION OF FINANCIAL POLICY #12: SMALL AND ATTRACTIVE ASSETS

WHEREAS, the City of Ridgefield deems it necessary to establish a detailed policy to provide guidance on the internal controls over small and attractive assets; and

WHEREAS, these policies provide guidelines for the identification of these assets; and

WHEREAS, these policies define what is a small and attractive asset, the roles and responsibilities of staff; and

WHEREAS, these policies provide the procedures on how to track these assets to ensure a responsible stewardship of public resources:

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council of the City of Ridgefield adopts the Small and Attractive Assets policy, a copy of which is attached and referenced as exhibit A.

Section 2. The City Manager, Finance Director and Deputy City Manager are hereby authorized to implement such policies as necessary to carry out the directions of this Resolution.

Section 3. The effective date of this Resolution shall be in full force and effect on the date adopted by the City Council.

ADOPTED AT A REGULAR SESSION BY THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON ON THE 11th DAY OF JANUARY, 2024.

CITY OF RIDGEFIELD

DocuSigned by:

Ron Onslow

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Ron Onslow, Mayor

ATTEST:

DocuSigned by:

Julie Ferriss

BA35ACBCC9B14B1...

Julie Ferriss, City Clerk

Financial Policy #12: Small and Attractive Assets

Effective Date: January 11, 2024, Resolution No. 636

Replaces and Cancels: New

References: Office of Washington State Auditor best practice, Government Finance Officers Association best practice, GAAP Guidance, RCW 43.09.185 Loss of Public Funds, Financial Policy #09 Capitalization of Assets, State Administrative and Accounting Manual (SAAM) Section 30.40.20, The Code of Federal Regulations (CFR) 200.310-316.

PURPOSE

To provide guidelines to identify assets that do not meet the criteria of a capital asset, are easy to transport freely and, as such are at a greater risk of being damaged, lost or stolen and to establish a system for accountability over those items through controls resulting in responsible stewardship of public resources.

DEFINITIONS

Capital assets with a cost meeting the capitalization threshold with a life expectancy of over one year shall be capitalized. The City will input mass quantity for new infrastructure assets if appropriate. The input of quantities such as, each, square feet, linear feet, etc. enable Finance staff to match repair and replacement of sections of new assets to easily remove the assets from the Capital Asset Tracking System at the time the asset is replaced. These quantity assets may individually be under the \$5,000 threshold, however taken as a whole for the full infrastructure system constructed or received as a donation, the value will meet or exceed the threshold. Refer to Financial Policy #09 Capitalization of Assets.

Small & Attractive Assets are items with a cost of over \$500 but less than \$5,000 and are defined as items with a high risk for theft. These assets are not normally consumed within one year. These assets may include items in one or more of the following categories.

The following items must be included as small and attractive items:

- Weapons, firearms, and accessories
- Signal guns
- Laptops, tablets, and notebook computers

The following items may be considered as small and attractive items:

- Equipment (power and nonpower) such as generators, chain saws, mowers, blowers, and trimmers but not limited to this list.
- Smartphones, radios
- Cameras and photographic equipment
- Binoculars, infrared viewers, and rangefinders
- Televisions
- Scanners, Printers
- Tools
- Portable GPS devices

Small and attractive assets are not to include more permanent fixtures such as heating and cooling units, refrigerators, desks, tables and shelving, or items that are equipment for the purpose of accomplishing tasks that are very small in nature or of minimal monetary value, like minor equipment, shovels, wrenches, hand tools, staplers, and the like. In addition, small and attractive assets never include items that are

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consumed or used up, such as asphalt, bottled water, printer paper, and the like. Small and attractive assets (subject to the cost limits above) also do not include items that while they may meet the threshold when purchased are used as an accessory or attached to a larger capital asset such as vehicle accessories like light bars, cages, sirens, etc.

RESPONSIBILITY

It is the responsibility of the City's Department Director, or their designee to maintain accountability over tangible items that may have the likelihood of disappearing without being noticed.

Each department is responsible for maintaining their own Small and Attractive Asset Inventory Listing, to be verified by a physical inventory at least once per fiscal year. This inventory list (Exhibit A) will be provided to the Finance Department by January 31st of each year for tracking purposes.

The Finance department shall review and complete a random audit to verify physical inventory at least once each fiscal year.

If an item is deleted, the Department Director or designee will note the reason and/or means of disposal and will fill out a Disposal/Transfer Information Form (Exhibit B).

ASSET LIST & IDENTIFICATION

At minimum the small and attractive asset list shall state the asset ID number, item name, purchase date, location/assigned to, vendor name, price, condition, current value, serial, model, and/or other identifying information for each item on the list. Whenever feasible, each piece of property on the list will be engraved or marked with the city's name and asset ID number. Such markings will be removed or obliterated only when the item is sold, scrapped, surplus, or otherwise disposed of.

PROCEDURE

The appropriate Department Director or designee shall review, update, delete, and add new items to the list on a regular basis. If an item is deleted, the Department Director or designee will note the reason and/or means of disposal. Each Department Director or designee is responsible for ensuring that the items on the list are physically located in the department and being used for official city business. The Finance Department shall perform a random audit annually of each department's list to verify small and attractive assets purchased appear on department inventory lists and disposed items have been properly identified on the list.

1. Physical Inventory

Each department will perform a physical inventory of the items a minimum of one time each fiscal year. Departments are responsible for preparing and maintaining their small and attractive inventory list and submitting it to the Finance Department by January 31st of each year. As a part of the physical inventory, each department should verify the existence and condition of each item on the list and make a note of

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any additions not reflected on the list. Deletions, transfers, losses, disposals or surplus items should be shown on the inventory listing as a strikethrough along with a description on the current year listing and shall not be removed until the next year for audit trail purposes.

2. Additions

The city may acquire small and attractive assets via purchase, construction, donation, or lease. Regardless of how it is acquired, when the small and attractive item is received, the receiving department will add it to their small and attractive database listing and mark the item with the city's name and asset ID. Small and attractive technology items purchased by the city's IT contractor shall be tagged. Departments may choose to inventory items, subject to more stringent oversight such as specialized equipment, tools, and materials. Small and attractive items purchased with federal funds are subject to grant compliance requirements. Departments are responsible for ensuring federal requirements are met.

3. Deletions

Items previously acquired will eventually depreciate in value and/or be disposed of and need to be deleted from the department's list. Deletion may be required due to depreciation in value of an asset to below the tracking threshold, traded in for an upgraded item, inadvertently destroyed, a sale of the asset, scrapping, mysterious disappearance (lost, stolen, or missing), or involuntary conversion (fire, flood, etc.). The Department Director or designee controlling the item is the only one in position to trigger removal from their list. Deletions brought about as a result of natural disasters may require reporting to the insurance provider for an eventual reimbursement claim if covered. Refer to Section 5 of this policy for lost, stolen or missing items.

In any of these circumstances the deletion/removal of an item should follow surplus procedures and be properly reported to the Finance Department, documented, and notated on the small and attractive list.

4. Transfers

Occasional transfers of small and attractive items 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/stormwater/building activities) need to have a transfer of cash when the item has a positive market value. Interdepartmental transfers or intergovernmental (i.e., city to other governmental agencies) do not require the city to declare the item surplus or to do a public notice.

5. Lost, Stolen, or Missing

Staff shall notify the Department Director or designee immediately of any lost, stolen, or missing items. The Department Director or designee shall report lost, stolen or missing items to the Finance Director, who will provide a copy to the Risk Manager. If an item is not located after 60 days of being determined to be missing, the item will be deemed lost or stolen and removed from the list. The Finance Director or

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Risk Manager shall immediately file a police report and notify the State Auditor's Office per RCW 43.09.185. A summary report of all lost or stolen items will be provided to the City Manager and distributed to all Department Directors at least once a year.

6. Audit

The Finance department will request a copy of the list at least once a year for tracking purposes and to perform an audit. The request date will be selected at random. Each department list's may be audited at different dates. The Finance department will make a random selection of items from each department to perform physical testing.

Departments may adopt higher standards as necessary for accreditation or for any reason. Compliance with such standards shall include documentation provided to the Finance Department for audit purposes.



ASSET DISPOSITION FORM

Date: _____

Department: _____ Contact Person: _____ Extension: _____

Description of Asset: _____

Location of Asset: _____ Asset ID No: _____

Condition of Asset: Excellent Good Poor (Check One)

Current Estimated Value: \$ _____ Acquisition/Disposal Date: _____

Asset Status: Surplused Traded-in Damaged

Transferred to – Dept: _____ Lost/Stolen – Police Report No: _____

Asset Information:

Year: _____ Make: _____ Model: _____ License No: _____

VIN/Serial #: _____ Mileage: _____ Disposal Value: _____

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Kirk Johnson
Digitally signed by Kirk Johnson
Date: 2023.02.21 10:17:23 -08'00'

Signature of Department Director or Designee

Date

I certify that the above-described City owned property is hereby declared surplus to the needs of this department.

Signature of Department Director or Designee

Date

For Finance Department Use Only

Date Received: _____

Date Completed: _____

Completed By: _____