

**CITY OF GOLD BAR, WASHINGTON
RESOLUTION NO. 19-03**

**A RESOLUTION OF THE CITY OF GOLD BAR, WASHINGTON AMENDING THE
FINANCIAL PLAN**

WHEREAS, the Financial Plan for the City of Gold Bar contains a section addressing small and attractive assets; and

WHEREAS, the section on small and attractive assets requires updating; and

WHEREAS, there is no similar policy for fixed and capital assets;

NOW THEREFORE BE IT RESOLVED by the governing body of the City of Gold Bar that the Financial Plan be amended to revise one section and add a new section as follows.

- Section I Small and Attractive Assets**
- Section II Capital and Fixed Assets**
- Section III Severability**
- Section IV Effective Date**

Section I, Small and Attractive Assets

Small and attractive assets are defined as those items that fall below the state's capitalization level of five thousand dollars (\$5,000), that are easily moveable, have a life expectancy of more than one year, and that are particularly vulnerable to loss. Examples include cell phones, laptops, chainsaws, etc.

The City of Gold Bar sets the policy for the value of small and attractive assets to be reviewed, and what that review process entails. This section of the City's Financial Plan contains that policy in its entirety, as follows.

It is the policy of the City of Gold Bar to maintain accountability over all tangible items that may have the likelihood of disappearing without being noticed and that are valued between one thousand dollars (\$1,000) and five thousand dollars (\$5,000). Each supervisor shall have the discretion to track additional items that may be valued at less than one thousand dollars (\$1,000) but that they feel are important to monitor.

If small and attractive assets are purchased in a bulk unit that pushes the purchase price over the limit of five thousand dollars (\$5,000), the City shall record those purchases at the value of the individual item rather than the bulk price.

Each supervisor shall prepare a list annually of their small and attractive assets. Lists shall be turned into the Clerk/Treasurer by June 30th January 31st with additions, deletions, transfers, modifications, leases, etc. noted on the updated list. The Clerk/Treasurer shall review the lists

and maintain a filing system for audit purposes. This report shall be separate from the fixed and capital asset report.

If small and attractive assets are found to be missing during the annual review, the Clerk/Treasurer shall meet with the supervisor to determine the reason for the loss and the appropriate action that shall be taken. A final report of any missing assets shall be reported to the Mayor and/or Council.

Where possible, small and attractive assets shall be assigned an identifier that is affixed to the asset and included in the annual report. This identifier shall be used to track assets and to assist with identification and reporting in the case of theft.

Section II, Capital and Fixed Assets

It is the policy of the City to maintain accountability over all tangible fixed assets having a life exceeding one year and valued at more than five thousand dollars (\$5,000). The asset records shall be verified by a physical inventory at least once a year.

A. General

Assets in the system include all land, buildings, machinery, and equipment valued at five thousand dollars (\$5,000) or more. Small and attractive assets valued under five thousand dollars (\$5,000) shall be a separate annual report.

B. Responsibilities of Supervisors

The City Treasurer will establish a fixed asset system and prepare guidelines for the annual inventory. The Treasurer will supply supervisors with a preliminary worksheet of assets as of December 31st of the previous year. A physical inventory of all assets will then be conducted annually by supervisors and/or staff and an updated inventory returned to the Treasurer by January 31st of each year. Supervisors may request more time if needed.

Each annual report shall include explanations for any additions, deletions, transfers, modifications, leases, or other changes to assets.

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

To provide the best possible control, the supervisor responsible for fixed and capital assets should not be the one doing the physical inventory prior to creating the annual report. He or she should assign an employee where feasible, to do the actual inventory. It is understood in a City the size of Gold Bar, with few employees, this may not always be possible.

C. Asset Identification

All fixed and capital assets will be assigned a unique city identification number that will follow the asset throughout its life in the City's fixed asset program.

Where feasible, each piece of property will be tagged or marked with the City identification number. Such markings will be removed or obliterated only when the item is sold, scrapped, cannibalized, or otherwise disposed of. Should the identification number be removed, defaced, or damaged, 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 an identifying project code or name. This identification will assist in ensuring that grant requirements regarding selling or surplusing grant-funded assets are adhered to.

Washington State Auditors occasionally will choose an item from the inventory list and review that item. Identification on each fixed and capital asset shall be clearly visible. Identification on the fixed and capital asset inventory report shall include locations to assist auditors in their review process.

D. Additions

When additions are made to capital and fixed assets, the supervisor will immediately create a revision to the annual report. The revision shall include all relevant details, including the new identification number.

Where possible, the supervisor and/or Mayor shall attempt to plan for additions by working with the Treasurer for budgeting purposes.

E. Deletions

Deletions of fixed and capital assets may occur through planned action such as sales, scrapping, etc., or through unplanned action such as theft or disasters. Assets deleted through planned action will require the authorization of the supervisor and the Mayor. Assets deleted through unplanned action will require notification of the supervisor, Mayor, Treasurer, and the City's insurance carrier.

The selling, surplus, retirement, or other deletion of City fixed and capital assets will comply with all policies required of municipalities. Before disposal of any type, the supervisor and Mayor must verify that the asset is no longer of value to the City.

The supervisor and/or Mayor controlling the asset are the only ones in position to trigger removal from the fixed and capital asset records. Such removal shall be immediately recorded on the fixed and capital asset inventory report and signed by the supervisor and/or Mayor.

Lost or stolen items shall be immediately reported to the Treasurer, the Mayor, law enforcement, the Washington State Auditor's Office, and the City's insurance carrier. The fixed and capital asset inventory shall be immediately updated.

F. Modifications

Larger assets such as major pieces of equipment, water lines, or buildings, are often modified to increase their lifetime or usefulness. Modifications may include partial additions or deletions, major repairs, or component replacement.

When such modifications increase or decrease the value of fixed and capital assets by more than twenty percent (20%), the fixed and capital asset inventory report shall be updated.

When such modifications appear to cost more than the value of the fixed or capital asset, or appear to not substantially improve the value of the asset compared to the cost of the proposed modification, the supervisor and/or Mayor shall review the cost of the modification and make a determination regarding the best use of public funds.

G. Donated Assets

Occasionally fixed or capital assets are donated to the City. The estimated fair value of the donation must be determined and that value recorded by the Treasurer.

H. Miscellaneous

For unusual transactions not specifically addressed in these procedures, the City shall follow guidelines set by the Washington State Auditor's Office and the associated BARS manual.

Section III, Severability

This resolution is severable and if any portion of it shall be declared invalid or unconstitutional, the remaining portion shall remain valid and enforceable.

Section IV, Effective Date

This Resolution shall take effect from, and after, its passage and approval, as provided by law.

Resolved this _____ day of _____, 2019.

APPROVED:

Bill Clem, Mayor

ATTEST/AUTHENTICATED:

Lisa Stowe, Clerk/Treasurer