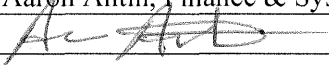



City of SeaTac

Policies and Procedures

Policy Number:	CW- 012
Policy Name:	Small and Attractive Assets (Continuing Property)
Department(s):	Citywide
Effective Date:	December 4, 2012
Supersedes:	N/A
Prepared by:	Brenda Rolph, Assistant Finance Director
Approved by:	Aaron Antin, Finance & Systems Director
Signature:	
Approved by:	Todd Cutts, City Manager
Signature:	

Purpose:

The term “capital assets” is used to describe tangible or intangible assets that are used in City operations, have an initial useful life extending beyond a single reporting period of one year and cost more than \$5,000. Assets meeting this definition are “capitalized” and are reported on the City’s financial statements. Items falling outside this definition (below \$5,000) require additional controls to ensure that they are handled in a responsible manner and are accounted for on a regular basis. The policy and procedures below establish the necessary guidelines to protect the City’s small and attractive assets (also known as the “*continuing property*” class of assets).

Policy:

It is the policy of the City to maintain accountability over small and attractive assets that fall within the following categories (as defined by the *Government Finance Officers Association’s (GFOA’s)* best practice recommendation “*Ensuring Control over Noncapitalized Items*”):

- 1) Items that require special attention to compensate for a heightened risk of theft or “walk away” items (i.e. digital cameras, computer equipment, shop tools, etc.). Some asset items are both easily transportable and readily marketable or easily diverted to personal use.
- 2) Items that require special attention to protect public safety and avoid potential liability (i.e. police weapons). Some asset items by their very nature pose a risk to public safety and could be the source of potential liability.
- 3) Items that require special attention to ensure legal compliance with contractual provisions (i.e. grant contracts). Legal or contractual provisions may require a higher than ordinary level of accountability over certain asset items.

All departments shall maintain records to be verified by a physical inventory at least once a year and shall provide such list to the designated Finance Department Accounting Technician for monitoring differences between years.

Note: GFOA recommends that every government undertake a systematic effort to identify all of its small and attractive asset items.

Procedure:

A. General

At time of purchase, tangible assets that cost less than \$5,000 (*sales tax and freight charges are added to the cost*) shall be reviewed by the department purchasing the item to determine whether the item requires a City asset tag. In addition to cost, each department shall consider whether or not the item is at risk for theft, is a public safety concern and/or if there is a legal requirement to track the item.

B. Department's Responsibility

Each Department Director shall assign a staff member to be responsible for the department's small and attractive assets. This staff member shall maintain a complete list of the department's small and attractive assets as they are purchased, surplus, etc. The list maintained by the department staff member shall include the tag number, a detailed description of the small and attractive asset, a serial number, location of asset and, if applicable, name of person the asset is assigned to.

Note: GFOA recommends that asset control occur at the department level.

At the end of each year, the department's designated staff member shall complete an inventory of the department's assets and provide the asset list to the designated Finance Department Accounting Technician by January 31st of the following year. The Department Director, or designee, shall be responsible for certifying that the list is reliable and complete by signing the bottom of the asset list on a "certified by" line prior to submitting it to the Finance Department.

Note: GFOA recommends that asset control should be assigned within each department and that every individual assigned responsibility for asset items should prepare and maintain a complete list of those items at the end of each year within their department. GFOA also recommends that departments certify updated lists and that updated lists be kept on file and available for inspection in each department.

A list of designated staff members will be maintained by the Finance Department's Accounting Technician. Changes in staff assignments shall be communicated to the Accounting Technician by the Department Director, or designee.

The Accounting Technician will be responsible for verifying the reliability and completeness of the asset data on file in each department which may include confirming asset existence, location, etc.

Additions: The City may acquire small and attractive assets via purchase, donation, through grants, or leases. A Capital Asset Form shall be completed for the additions (the

Continuing Property box should be checked for the small and attractive assets) and a City asset tag shall be applied on the asset (unless not practical). The Form shall be submitted to the Accounting Technician immediately upon purchasing the item (no longer than 2 weeks after receiving the item). Per the State BARS (*Budgeting, Accounting and Reporting System*) Manual, items using the object code starting with a “35 – *small tools and minor equipment*” are one specific class of items subject to tracking as small and attractive assets. Other City used object code classifications may also contain small and attractive asset purchases that will need to be tracked. If you are unsure if an item needs to be tracked, check with the Accounting Technician.

Deletions: Items previously acquired will at some point need to be removed from the department’s asset list due to a future sale, trade-in or because the asset broke, was lost or stolen. All assets ready for deletion (retirement) must be formally surplus via a list approved by the City Council. All items surplus and disposed of through the proper process can be then be removed from the department’s asset list. Notify the Accounting Technician for any items to be placed on the City’s surplus list. Annually, the Finance Department prepares an asset surplus list agenda bill to present to the City Council for approval. *Please note that all small and attractive assets declared surplus by the City Council, must be donated, sold, etc. (as reported on the City Council surplus list) within 30 days of the City Council’s approval. If the 30 day disposal requirement cannot be met, the Accounting Technician must be notified in writing of the need for an extension.*

Lost or Stolen Items: If City assets are lost or stolen, a Risk Management Incident Report must be completed no later than the first working day after the loss/theft occurs. These forms are located in the Human Resources Department. In addition, a police report must be filed if the asset is stolen. The police report needs to be filed with the police department that has jurisdiction in the City where the asset was stolen.

Transfers: If a transfer of an asset is made between departments or funds (i.e. an asset is transferred from the General Fund to the Surface Water Management Fund), an updated Capital Asset Form must be completed showing the asset location has changed. The department that owns the asset prior to the transfer is responsible for notifying the Accounting Technician of this change. If a transfer if made between employees within a department, the department shall update their asset list to reflect the change in asset assignment.

Donated Assets: Section 2.85 of the SeaTac Municipal Code provides guidance on the acceptance of donations by the City. For nonmonetary donations with a fair market value under \$500, the City Manager can accept the donation with or without approval of the City Council. All nonmonetary donations with a fair market value of \$500 or more must be accepted by the City Council. After a nonmonetary asset is accepted, a Capital Asset Form shall be completed by the department receiving the donated asset if the item meets the criteria of a small and attractive asset, as defined in this policy.