

TOWN OF WOODWAY

RESOLUTION 2021-430

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WOODWAY ADOPTING AN ASSET MANAGEMENT POLICY

WHEREAS, the Town of Woodway wishes to increase control of and accountability for those assets for which the Town has stewardship responsibilities, provide centralized documentation for insurance purposes, and generate useful asset management information; and

WHEREAS, the Town of Woodway wants to ensure compliance with all statutory requirements related to capital assets and small & attractive assets management and reporting;

NOW, THEREFORE, the Town Council of the Town of Woodway does hereby resolve as follows:

Section 1. The attached Town of Woodway Asset Management Policy, dated October 18, 2021, is adopted in its entirety.

Section 2. The Town of Woodway Asset Management Policy will be effective immediately upon adoption.

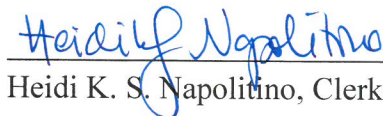
PASSED this 18th day of October 2021 by the Town Council of the Town of Woodway.

TOWN OF WOODWAY



Michael S. Quinn, Mayor

ATTEST:



Heidi K. S. Napolitano, Clerk-Treasurer



ASSET MANAGEMENT POLICY

Purpose:

This policy is established to provide guidelines that will ensure good stewardship over Town resources through a uniform method of accountability and inventory of the assets. It is the policy of the Town of Woodway to comply with all statutory requirements while ensuring that the Town of Woodway's public property is adequately protected and that its use is properly managed. The intent of this document is to:

- Increase control over those assets for which the Town has stewardship responsibilities (including capital assets and small & attractive items that may be more likely to disappear without being noticed);
- Ensure accountability for assets;
- Provide centralized documentation for insurance purposes; and
- Generate useful asset management information.

References:

Washington State BARS Cash Manual Section 3.3: Capital Assets

Definitions:

- A. "Capital assets" are real and personal property used in operations, above a specified value, the government intends to use or keep for more than one year. Capital assets include land and land rights; buildings, their furnishings, fixtures, and furniture; infrastructure assets, intangible assets equipment, machinery, vehicles, and tools.
- B. "Capitalize" means to report an expenditure for real and personal property or intangible assets as a capital outlay. These expenditure transactions are coded to 594 and 595 account codes.
- C. "Accountability" means the obligation to demonstrate good management of or control over those matters for which the government is responsible.
- D. "Capital assets management system" is the set of written policies and procedures used to control a government's capital assets and demonstrate accountability. Public officials have several broad responsibilities with respect to capital assets such as tracking assets for accountability purposes; maintaining records for insurance purposes; ensuring assets are safeguarded from loss, waste, damage, or neglect; for compliance purposes such as when purchased with federal funds; and long-term capital budgeting and planning.

- E. “Capitalization threshold” is a dollar amount set in a formal policy defining when an item with more than one or more years of usefulness will be classified as a capital asset.
- F. “Physical inventory” is a procedure where the existence of assets on the inventory list is confirmed by physically observing the assets at their location in the field.
- G. “Small and attractive assets” are assets that last longer than one year, but do not qualify as capital assets. They are less than the capitalization threshold and may be susceptible to theft or misuse.

Policies:

- A. *Capitalization Threshold:* It is the policy of the Town to maintain accountability over all capital assets having a life exceeding one year and costing \$5,000 (including tax) or more.
 - 1. Assets in the system include all land, buildings, machinery, and equipment valued at \$5,000 or more (including sales tax).
 - 2. The asset records shall be verified by a physical inventory at least once a year by each department.
 - 3. When capital assets are purchased, the expense will be recorded using the appropriate BARS expenditure code to identify capital assets (BARS 594 plus object code for all capital expenditures, except for roads/street construction which are assigned to 595 plus object code).
 - 4. If assets are purchased with grant money, the capitalization threshold level may be set at a lower amount by the requirements of the grant agreement.
- B. *Small & Attractive Assets:* Although Small and Attractive Assets (assets costing less than \$5,000) do not meet the Town’s capitalization threshold, due to ease of conversion to private use, they are considered assets for purposes of marking and identification, record keeping, and tracking. Such assets may include (but are not limited to) laptop or tablet computers, video and sound equipment, police weapons, public works tools and equipment, and cell phones/smartphones.
- C. *Responsibility of Department Heads:* To assist in accountability and theft prevention, each department head shall be responsible for all property assigned to their department. Responsibility for updating the inventory list is detailed in D below.
- D. *Inventory List:* The Clerk-Treasurer will maintain a master inventory list with the assistance of department heads. The inventory list should include the information listed in the Inventory List Procedure below. Specific information captured may vary by type of asset.
 - 1. Each department head will keep a copy of the portion of the list that includes their assets. The list of assets (including Small & Attractive Assets) should be updated as new assets are purchased.

2. Prior to the annual inventory, each department head will give the Clerk-Treasurer their updated list so any new items can be added to the master inventory list.
- E. *Annual Inventory*: A physical inventory of all land, machinery & equipment, buildings and improvements, and small & attractive assets will be conducted annually to verify the existence and condition of all items in the inventory list.
1. When reconciled, the inventory provides evidence that department heads are meeting their stewardship duty over their assets.
 2. An inventory may also help the department plan for future purchases by identifying unanticipated wear and tear of equipment before the equipment breaks down.

Procedures:

A. *Asset Identification*

1. Whenever feasible, each piece of property will be tagged or marked with a label or tag identifying it as property of the Town of Woodway. Such markings will be removed or obliterated only when the item is sold, scrapped, cannibalized, or otherwise disposed of. Should the tag/label be removed or defaced before disposal, the item shall be marked with a replacement tag/label.
2. If the asset is purchased with grant funding, inventory list will reference the grant. 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.

B. *Inventory List*: Each asset listing will include as much of the following information as possible:

1. Acquisition information, including references to source documents and acquisition dates
2. Name and detailed description sufficient to define and identify the asset, including any identifying numbers or legal description where applicable
3. Location of the asset
4. Custodian responsible for the asset, if applicable
5. Cost of the asset/source of funding (federal grant, etc.)
6. Estimated life
7. Condition of the asset
8. Identifying number for the asset
9. Disposal – date and method used to determine disposal value

C. Annual Inventory

1. Town staff will perform a physical inventory of assets on the Capital Asset inventory list and the Small & Attractive Asset inventory list annually, no later than April 30 of each year.
 - a. The Clerk-Treasurer's office will distribute a listing of assets by department to be used as an inventory worksheet.
 - b. When feasible, staff should work in teams with at least one member from a department other than the one responsible for the assets. Inventory teams will take the worksheets to their assigned areas and locate everything on the list. The team will update the condition of assets as necessary.
 - c. Items not included in the inventory worksheet but physically located will be added to the inventory list. All items lacking a tag/label will be tagged if at all feasible.
 - d. The department head will do a reconciliation of the resulting reports before signing the worksheet and turning it in to the Treasurer's office.
2. A reconciliation of the capital assets list and individual supporting asset records at least once per year to ensure the information is complete and accurate.

D. Additions, Deletions, & Lost or Stolen Assets

1. *Additions:* The Town may acquire property via purchase, construction, donation, or lease. Regardless of how it is acquired, when the property is received, the purchasing department will add the asset to their department's inventory list.
2. *Deletions:* Assets will eventually reach the end of their useful life and need to be disposed of. Deletion may be required due to a sale of the asset, scrapping, mysterious disappearance (lost or stolen), or involuntary conversion (fire, flood, etc.).
 - a. The disposition of Town assets through sale or disposal will comply with the Town's surplus policy.
 - b. Before disposal of a destroyed or damaged asset, the department head and Mayor or Mayor's designee must verify that the asset is no longer of value to the Town.
 - c. Lost or stolen items may require additional reports.
 - d. Deletions brought about because of natural disasters may require additional reporting to either the insurance provider or federal/state emergency management department for an eventual reimbursement.
3. *Lost or Stolen Assets:* Department heads must report lost or stolen assets to the Mayor or Mayor's designee and the Clerk-Treasurer as soon as the loss is discovered. If the item hasn't been found after ninety days, the department head will notify the Clerk-Treasurer's office so they may remove the asset from the inventory list.

Miscellaneous:

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

Approved by: Woodway Town Council
Effective date: 18 October 2021

A handwritten signature in black ink, appearing to read "Michael S. Quinn". The signature is written in a cursive style with a horizontal line extending from the end.