

RESOLUTION NO. 279

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODINVILLE, WASHINGTON, ESTABLISHING A FIXED ASSET POLICY.

WHEREAS, the City Council authorizes the purchase of fixed assets through the budget process, and

WHEREAS, the City Council recognizes the importance of identifying and accounting for capital items purchased and donated, and

WHEREAS, the City Council believes it is in the best interests of the City to have a policy in place to give guidance for the monitoring of assets;

NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF WOODINVILLE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

1. To adopt the policies included as Attachment A.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF WOODINVILLE THIS 18th DAY OF OCTOBER 2004.



Don Brocha, Mayor

ATTEST/AUTHENTICATED:



Sandra Parker/CMC
City Clerk

**City of Woodinville
Fixed Assets Policy**

I Statutory Authority

The State of Washington, through its Office of the State Auditor, requires a reporting and accounting system for local governments. (RCW 43.09.200)

II Purpose

The purpose of a fixed asset policy and inventory system is to provide stewardship over the City's resources through control and accountability of its fixed assets.

III Policy

It is the policy of the City to maintain accountability over all tangible fixed assets acquired by the City through purchase, donation, capital lease, and construction having a life exceeding one year with a cost of \$5,000 or more. Assets include land, improvements, buildings, equipment, improvements that add to the existing useful life of the asset, and capital leases. The straight line method of depreciation will be used for depreciable assets.

The Finance Director shall maintain the asset records, which will be verified by a physical inventory at least once a year. Fixed assets will be valued at cost including all ancillary charges necessary to place the asset in its intended location and condition for use. Donations will be valued at fair market value or estimated cost.

Small and attractive assets are those that are partially at risk or vulnerable to loss and cost less than \$5,000. These items shall be tracked due to their sensitivity to theft and carried on the property records of the City of Woodinville. (i.e. radios, cell phones, power tools, small tools, fax machines, cameras, etc...).

Equipment with a cost of \$5000 or more will be identified in a separate schedule as part of the annual budget. Equipment purchases with a cost of \$5,000 not shown in the schedule of capital equipment will be approved by the Council prior to purchase. Capital equipment will be replaced at the end of the asset's life by the Equipment Rental Fund or Equipment Replacement Fund.

IV Identifying and Recording Capital Assets

The Finance Department and the departments purchasing the capital equipment shall insure that all capital equipment purchases, including small and attractive assets, will be properly identified. The Finance Director shall be responsible for instituting policies for identifying and recording capital assets.

Disposition of (Surplus) Assets

The disposal of City assets shall follow the guidelines adopted by the City Council for the disposition of City assets. The Finance Director shall institute procedures for the disposition of capital assets, including small and attractive assets, that are consistent with the policies

adopted by Council. The procedures shall include the reporting of asset transfers and the modification of assets.

Lost or Stolen Property

When an item in the fixed asset system has disappeared and all efforts have failed to recover it, the controlling department shall notify the Finance Director, City Manager, Police Department and Council.

V Procedures for Physical Inventory

The Finance Director will establish procedures for the physical inventory of all assets covered by this policy. A physical inventory will be conducted annually by all departments of all assets under their control to verify the existence and condition of all items. At least every three years, an inventory will be performed by an outside agency.