

**Town of Wascott
Douglas County, Wisconsin**

**Resolution 2010-15
FIXED ASSET POLICY**

WHEREAS, as the governing body of the Town of Wascott, the town board is responsible for setting fiscal and management policies, for making financial decisions, and for setting guidelines that govern the financial practices and procedures that town officials and employees follow.

WHEREAS, the town's independent auditor recommends that the town establish a policy on fixed asset management.

NOW, THEREFORE, BE IT RESOLVED that the Town Board of Wascott hereby adopts the "Fixed Asset Policy" attached hereto and made a part hereof.

BE IT FURTHER RESOLVED that the town chairperson shall direct the implementation of the fixed asset system.

BE IT FURTHER RESOLVED that the town chairperson is authorized to purchase computer software and asset management tags for the tracking of fixed assets, subject to available funds in the budget.

ADOPTED this 1st day of June, 2010, by a majority vote of the town board with a quorum present and voting and proper notice having been given.

TOWN BOARD

Janice Newsome, Town Chairperson

Bob Beglinger, Town Supervisor

Doug Bush, Town Supervisor

Doug Hanson, Town Supervisor

Barbara Johnson, Town Supervisor

Attest: Jeannette Atkinson, Town Clerk

Vote required: majority vote.

Fiscal note: Estimated cost of \$259 for software and \$857.50 for 2,500 tags, total \$1,116.50.

1,000 @ 0.57	\$570.00	2,500 @ 0.343	\$757.50
1,500 @ 0.48	\$720.00	5,000 @ 0.307	\$1,665.00

FIXED ASSET POLICY

Sections:

- 3.05.01 Authority and Purpose**
 - 3.05.02 Definitions**
 - 3.05.03 Asset Classifications**
 - 3.05.04 Depreciation**
 - 3.05.05 Fixed Asset System**
 - 3.05.06 Financial Accountability**
 - 3.05.07 Asset Tracking**
 - 3.05.08 Donated Assets**
 - 3.05.09 Annual Physical Inventory**
 - 3.05.10 Internal Controls**
 - 3.05.11 Lost or Stolen Assets**
 - 3.05.12 Surplus Property**
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3.05.01 Authority and Purpose.

This policy is adopted by the town board of the Town of Wascott as it relates to their management of the town's financial affairs and their authority over expenditures. The purpose of this policy is to obtain control and accountability over the town's assets, provide centralized documentation for insurance purposes, meet financial reporting needs, and generate asset management information.

3.05.02 Definitions.

The following definitions shall apply under this policy:

"Capital asset" means any tangible asset used in operations with an initial useful life extending beyond one year.

"Department supervisor" means the person authorized as head of the operating department utilizing the tangible asset.

"Historic cost" means the original cost to acquire, construct, develop or better a tangible asset and includes all costs directly attributable to its acquisition.

3.05.03 Asset Classifications.

For the purpose of this policy, the following asset classifications shall apply:

"Buildings and building improvements" includes expenditures for contracted construction of new permanent structures, additions to or improvements to or acquiring of existing buildings, and permanent structural alterations.

"Infrastructure" includes expenditures for construction of, or major renovation to, long-lived fixed assets that are normally stationary in nature and can be preserved for a significantly greater number of years than most capital assets, including roadways, bridges, drainage systems and boat ramps, but does not include maintenance projects such as crack sealant.

"Land" includes expenditures for the purchase of land, and may include closing costs, appraisals, legal and title fees, purchase of rights of way, and site preparation.

"Land improvements" includes expenditures for improvements to land or property surrounding town buildings, and may include drainage systems, driveways, parking lots, sidewalks, fences, area

lighting of streets and parking lots, retaining walls, fill and grading to make the land ready for its purpose, parks, and athletic courts.

“Vehicles, machinery, and equipment” includes expenditures for moveable items such as vehicles, heavy equipment, public safety equipment, furniture and fixtures, and computer/electronic equipment.

“Computer software” includes expenditures for purchased software.

3.05.04 Depreciation.

The town has adopted cash-basis accounting and all expenditures are recorded as an expense when checks are issued. Depreciation is not recorded for the town’s assets.

3.05.05 Fixed Asset System.

A. A fixed asset system as approved by the town board shall be maintained by the town treasurer for tracking fixed assets of the town.

B. The department supervisor shall be responsible for completing an asset control form for each asset covered by this policy, and shall send the forms to the town treasurer for entry into the fixed asset system.

C. Whenever feasible, each asset shall be tagged or marked with a unique inventory identification number issued by the town treasurer. The assigned number will follow the asset throughout its life in the town’s fixed asset system. Such tags/markings shall be removed or obliterated only when the item is sold, scrapped, or otherwise disposed of. If the identification number is removed or defaced, the item shall be marked again with the original number as recorded in the fixed asset system.

D. If an item is purchased with grant funding, the fixed asset record shall reference the grant with an identifying project code.

E. Assets shall be valued at historic cost or estimated historic cost.

3.05.06 Financial Accountability.

A. DUTIES OF THE TOWN TREASURER. The town treasurer shall:

1. Maintain the fixed asset system as directed by the town board.
2. Submit periodic asset information in the designated format to the town board.
3. Ensure that accounting for assets is being exercised by updating the asset inventory to reflect additions, deletions, modifications and transfers.
4. Ensure that department supervisors complete an annual physical count on all assets and reconcile the physical inventory to the fixed asset system.

B. TOWN BOARD. The town board is responsible for:

1. Monitoring the application of this policy and updating the policy as required.
2. Facilitating and approving the capital budget.
3. Accurate recording and reporting of capital outlay in the annual financial report.

C. GRANTS. Where the Town receives grants, loans or assistance for the acquisition, construction or development of a capital asset, the amount of the contribution shall be recorded as revenues and not as a reduction in the costs of the capital asset.

3.05.07 Asset Tracking.

A. The town board wishes to express that the day-to-day stewardship of town property is the responsibility of the head of the operating department utilizing the property. All town property, regardless of cost, shall be safeguarded from loss or theft. To obtain control and accountability for town assets, all assets shall be recorded in the fixed asset system, including certain minor assets.

B. For inventory purposes, the following assets shall be included in the fixed asset system:

1. All vehicles, machinery and equipment with a historic cost of \$500.00 or more, as described in Section 3.05.03.
2. All computer software purchased by the town.
3. All computer-related and other electronic equipment.
4. Minor assets with a historic cost less than \$500.00 to be controlled include, but are not limited to, weapons, radios, computer peripherals, printers, recording devices, chain saws, GPS devices, specialized public safety equipment, small motor equipment and power tools. These minor but sensitive items shall be included in the fixed asset system and reported on the asset control form.

C. The department supervisor or designee shall complete asset control forms for all assets used by and assigned to the operating department. For maintenance of the fixed asset system, the head of each operating department is responsible for reporting additions, deletions, modifications, and transfers, in detail to the town treasurer.

D. It is the responsibility of the department supervisor to ensure that the equipment allocated to that department is tagged and to keep track of the location of all the assets on the departmental list of fixed assets.

E. The town chairperson is authorized to grant exceptions to specific provisions of this policy on a case-by-case basis within the intent of the overall policy.

3.05.08 Donated Assets.

Acceptance of a donated non-cash asset is subject to approval of the town board pursuant to Chapter 3.06 "Acceptance and Use of Donations Policy." Upon acceptance, the donated asset shall be recorded in the fixed asset system at its estimated fair market value.

3.05.09 Annual Physical Inventory.

All departments shall take a complete physical inventory of all assets each year. Inventories shall be updated on an annual basis and submitted to the town treasurer by March 1st each year.

3.05.10 Internal Controls.

All departments shall have procedures in place so that assets are adequately safeguarded from loss or theft, that adequate documentation is maintained to support the cost of the assets, and proper approvals are obtained for all acquisitions in accordance with the financial policies adopted by the town board.

3.05.11 Lost or Stolen Assets.

Whenever an item in the fixed asset system has disappeared and all efforts to recover it have failed, the department supervisor shall notify the town treasurer, who shall give a copy to the town chairperson. Sixty days after notification, if the item has not been found, the department shall send an asset control form to the town treasurer to remove the asset from the asset inventory. Copies of the report shall be sent to the town board.

3.05.12 Surplus Property.

A. *“Surplus property”* includes fixed assets that are obsolete, broken, no longer needed or unusable by the town, but shall not include land or buildings. *“Surplus property”* shall also include fixtures and such salvage as may be taken from a building without structural damage when such fixtures and salvage are not part of a demolition contract. *“Surplus property”* shall not include library materials used by the town library for lending purposes.

B. The department supervisor shall report surplus property items to the town chairperson and request approval for disposing of the property. The town chairperson or designee shall examine the property and prepare a list of the surplus property item(s) and make recommendation to the town board. The town board shall determine whether or not the item is surplus property, and determine the method for disposing of any item declared to be surplus property.

C. The town board shall dispose of the surplus items by one of the following methods:

1. Transfer of the item to another town department;
2. Donation to a nonprofit organization within the town or to a governmental agency;
3. Public auction;
4. Sale by sealed bid; or
5. Destruction and disposal of the item if the item has no market value.

D. When sold by auction or bid, the item will be sold in “as is” condition to the person submitting the highest bid. If the item is not removed within the time designated by the town, the item shall revert to the town. If no bids are received, the item shall be disposed of as directed by the town board.

E. Public notice shall be given for a public auction or sale by sealed bids of surplus property. The town board shall specify the method of notice required.

F. Surplus property shall not be given to any official, employee, volunteer, or contractor of the town, but may be sold through a competitive auction or bid process.

G. Upon sale of surplus property, any proceeds shall be returned to the general fund unless federal or state law precludes this and requires a specific use of the money.

H. An asset control form for each item disposed of shall be sent to the town treasurer to remove the item from the fixed asset inventory.