



## RESOLUTION 2018-003

### ADOPTING A POLICY FOR THE TRACKING OF CAPITAL ASSETS

**WHEREAS**, during the preparation of the FY2016-17 financial statements all City departments conducted a physical inventory of assets at the request of the Finance Department; and

**WHEREAS**, several assets were found to be missing from the assets recorded in the financial system and reported in prior fiscal years; and

**WHEREAS**, the corrections related to these assets were significant enough to be material to the financial statements and a deficiency in internal control several years in the past was thereby identified by the auditors as a material weakness; and

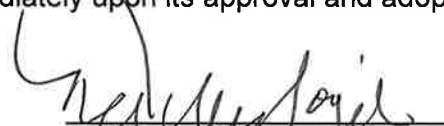
**WHEREAS**, the Sherwood City Council has received and reviewed the FY2016-17 financial statement audit; and

**WHEREAS**, the City Council desires to adopt a supplemental policy to require and assure that all City assets for any fiscal year be appropriately classified and reported in the financial statements.

### **NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:**

**Section 1.** The City of Sherwood Capital Asset Tracking Policy, attached hereto as Exhibit A, is hereby approved and adopted, and supersedes all prior Capital Asset Tracking Policies.

**Section 2.** This Resolution shall be effective immediately upon its approval and adoption.

  
Lee Weislogel, Mayor

Attest:

  
Sylvia Murphy, MMC, City Recorder

## **City of Sherwood Capital Asset Tracking Policy**

### **Exhibit A Resolution 2018-003**

**Adopted: January 16, 2018  
Effective: January 16, 2018**

#### **Definition of Capital Assets**

Capital assets are defined as assets that benefit at least two fiscal periods and have a cost of greater than \$5000. Purchased or constructed capital assets are recorded at historical cost, or estimated historical cost if historical cost is not known. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

#### **Responsibility for Custody, Maintenance and Tracking**

All acquisitions of capital assets by the City occurring within a fiscal year shall be identified by the department in receipt of the item. The receiving department will be responsible for:

1. Notifying the Finance Department whenever an asset is received through purchase or donation.
2. Notifying the Finance Department whenever an asset is disposed of, whether by sale, discard, theft or other means.
3. Notifying the Finance Department whenever an asset is no longer in a usable condition.
4. Coding of the purchase payment to a seven-thousand series GL code for identification by the Finance Department and proper accounting.
5. Tagging of assets.
6. Conducting an annual physical inventory of assets to be done in the fourth quarter of the fiscal year.

The Finance Department will be responsible for:

1. Tracking of City fixed assets
2. Providing listings to asset custodians for annual inventory.

Notification to the Finance Department shall be provided by the department in receipt of the item through the standardized Fixed Asset Form within the earlier of 30 days or with the submission of the first purchase invoice. Disposals of assets will also be reported to the Finance Department within the earlier of 30 days after disposal or at receipt of funds for the asset.