

Property Control Policy



City of Clermont, Florida

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A. Purpose

The purpose of this Policy is to establish requirements for the control of City owned tangible and intangible personal property and for the periodic review of such property for inventory purposes in accordance with Section 274.02, Florida Statutes.

B. Scope

This policy shall apply to all City owned tangible and intangible personal property with a value or cost of \$1,000 or more, and a projected useful life of one (1) year or more. Tangible personal property includes furniture, equipment, computers, printers, and vehicles. Intangible personal property includes software.

C. Responsibilities

The City's Purchasing Department is responsible for the establishment and maintenance of the property control system. Department Directors are the official custodians of property items assigned to their departments and as a result are primarily responsible for the use, care, and safeguarding of property items assigned to their departments. Departments are responsible for the establishment and maintenance of control systems to account for tangible personal property not covered by this Policy.

D. Property Acquisition

The cost recorded in the property control system is the total cost of placing the item in service (i.e., invoice price plus freight and installation charges less discounts). A trade-in value is not deducted from the cost of an item.

Property donated to the City is recorded in the property control system at its fair market value at the date of donation. A letter from the donor that includes a description of the property and its value is recommended.

Property created by assembling parts of several old items into a new one (cannibalizing) or by assembling new purchased parts is to be recorded in the property control system if its cumulative value meets the property value threshold noted in Section B. or if it qualifies as an improvement to an existing property item. Any cannibalized assets should have first been disposed of through the property disposal procedure.

A Property Acquisition Form must be completed by the property custodian at the time of acquisition and submitted to the Purchasing Department.

E. Property Identification

All property as described in Section B. shall be permanently marked by the Purchasing Department with property tags to show ownership by the City and the tag number

assigned to the property item. Any property item whose value or utility would be significantly impaired by the attachment of a property tag is exempted from the requirement for physical marking, upon approval by the City Manager.

Property tags should be plainly visible and easily accessible. Tags should be placed on the front of equipment, which normally is not moved, such as computers and printers. On items that are regularly moved, such as generators and mowers, the tag should be placed as close to the serial number as possible or where it is least likely to come off from wear and tear.

F. Property Control System

The property control system shall include a control account showing the total cost or value of all property as described in Section B. and a separate property record for each property item.

Each property record shall, as applicable, include the following information:

- a. Property control number
- b. Description of the item or items
- c. Physical location
- d. Department/division
- e. Name, Make or Manufacturer
- f. Year and/or Model
- g. Manufacturer's serial number(s), if any, and if an automobile, vehicle identification number (VIN)
- h. Date Acquired
- i. Cost
- j. Depreciation information
- k. Funding source
- l. Disposal date

Depreciation may be recorded to meet financial reporting requirements relating to depreciation accounting. However, depreciation must not be recorded on the individual property records or in the control account in such a manner as to reduce the recorded acquisition cost.

G. Physical Inventory Procedures

A complete physical inventory of all property as described in Section B. shall be conducted annually and whenever there is a change of custodian, as required by Florida Statutes. The physical inventory will be performed by the City's Purchasing Department with assistance from specific department personnel. Upon completion of the physical

inventory, the Purchasing Department shall compare information noted to the property control system. Noted differences shall be researched and corrected as appropriate.

Any property item found while conducting the physical inventory, which meets the property value threshold noted in Section B that is **not** included in the property control system, should be added to the City's inventory. A Property Acquisition Form should be completed and submitted to the Purchasing Department. After appropriate research to establish the ownership of the item, it shall be added to the City's property records, if appropriate.

Any property item included in the property control system and not located during the physical inventory process shall be promptly reported to the property custodian. If an item is not located by the property custodian, a report shall be filed with the Police Department regarding the missing item. The Purchasing Department shall submit all missing items to the City Manager for approval by the City Council. Upon approval by the City Council, the property item shall be retired from the property control system.

H. Property Transfers

Property may be transferred between departments. The property custodian is responsible for the completion of the Property Transfer Form and submission to the Purchasing Department. Once the property item has been transferred, the transfer should be recorded in the Property Control System.

I. Property Disposition

All City-owned tangible personal property (including property not described in Section B.) that no longer serves the needs of the City may be requested by the property custodian to be declared surplus by the City Council. The property custodian should complete the Property Disposal Form and submit to the Purchasing Director for approval by the City Council.

The Purchasing Director is responsible for the disposition of property that has been declared surplus by the City Council. The Purchasing Director shall have the authority to sell by auction or advertised bid, trade, donate to another governmental entity, destroy, or dispose of property declared surplus.

Once the property item has been disposed of, the Purchasing Director shall submit the Property Disposal Form to the Finance Department. The property item will be retired from the property control system.

CITY OF CLERMONT
RESOLUTION NO. 2016-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLERMONT, LAKE COUNTY, FLORIDA AMENDING THE PROPERTY CONTROL POLICY FOR THE CITY OF CLERMONT; REPEALING ALL PRIOR RESOLUTIONS IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Clermont deems it advisable and in the best interest of the City, to amend the Property Control Policy;

NOW, THEREFORE, BE IT RESOLVED, that the City of Clermont Property Control Policy is hereby amended as follows:

SECTION 1.

The City Council does hereby amend the City of Clermont Property Control Policy as set forth in Attachment A, attached hereto and incorporated herein. The City Council of the City of Clermont may amend the Property Control Policy by Resolution when deemed necessary and in the best interest of the City of Clermont.

SECTION 2.

Any resolution previously adopted by the City Council and in conflict herewith is hereby repealed to the extent of the conflict.

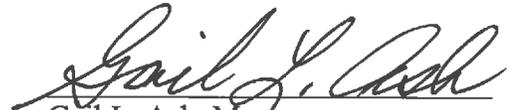
SECTION 3.

This Resolution shall take effect immediately upon its adoption.

CITY OF CLERMONT
RESOLUTION NO. 2016-16

DONE AND RESOLVED by the City Council of the City of Clermont, Lake County, Florida this 24th day of May, 2016.

CITY OF CLERMONT

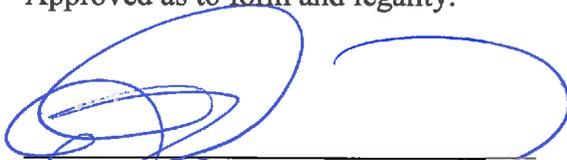

Gail L. Ash, Mayor

ATTEST:



Tracy Ackroyd Howe, City Clerk

Approved as to form and legality:


Daniel F. Mantzaris, City Attorney