

POLICY

14-02

TO: All Department Heads

From: Brian Palaia, Town Manager

Re: Revised Policy- 14-02 Fixed Assets (Formerly 03-01 and 98-12)

Date: May 5, 2014

Repeal of Policy 03-01:

Policy 03-01 adopted September 29, 2003 is repealed in its entirety and replaced by the following
STATUTORY REFERENCE/OTHER AUTHORITY: General Accepted Accounting Principle –
Governmental Accounting Standards Board 34 (GAAP - GASB 34)

PURPOSE:

To set Town policy on capitalization, recording, and inventory of capital assets.

POLICY STATEMENT:

Effective July 1, 2003, all new and existing capital assets valued within existing policy limits must be capitalized, reported, and recorded in the Town's Capital Asset Management System.

PROCEDURE:

Capital assets are property owned by the Town and include: equipment such as vehicles, machinery, copiers, and certain office equipment; buildings and land; and infrastructure such as roads, bridges, tunnels, rights of way, and culverts.

General capital assets should be capitalized and recorded when all of the following criteria are met:

- (1) The asset is tangible and complete.
- (2) The asset is used in the operation of the Town's activities.
- (3) The asset has a value and useful life at the date of acquisition that meets or exceeds the following:
 - \$5,000 value and two years of life for software, office equipment, maintenance equipment, and other equipment.
 - \$5,000 value and two years of life for all capital improvements.
 - All buildings and land must be reported regardless of value and useful life at date of acquisition.
 - \$50,000 and three years of life for infrastructure and infrastructure improvements.

All general capital assets must be recorded at either historical cost or estimated historical cost. Assets acquired through donation will be recorded at their estimated fair market value on the date of donation. In addition to purchase price or construction cost, costs of capitalization may include incidental costs, such as bond interest and issuance cost, insurance during transit, freight, duties, title search, title registration, installation, and breaking-in costs.

The straight line depreciation method will be used.

The Finance Department will maintain the Capital Asset Management System. The Finance Department will prepare the procedure to implement this policy to include forms and backup. They will be responsible for entering information on new assets, adjustments, depreciation information, and retiring capital assets into the Capital Asset Management System. They must make sure all supporting documentation is available. All adjustments and retirement must be reported to the Finance Department. The Finance Department will perform a periodic inspection of the Capital Asset Management System for internal audit purposes. The capital asset inventory will also note any capital assets paid for in whole or part with federal funding with a reference to the specific funding source.

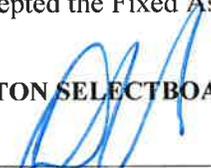
Department heads will be required to submit bills of sale along with a signed purchase order when a new asset is purchased. Department Heads will also be required to notify the Finance Department when an asset is retired – either sold or no longer able to perform its expected role. This will assist the Finance Department in keeping the asset listing up to date as well as providing the necessary documentation to verify asset value at purchase.

In addition to the Capital Asset Management System, a physical inventory will be taken annually and completed prior to June 1st by the Department head or his/her designee. The Department head will be required to sign and approve all inventory adjustments resulting from the inventory. The department inventory will be filed with the Finance Department for internal audit purposes.

The Milton Selectboard, acting in regular session on May 5, 2014 voted in favor of the following:

"Accepted the Fixed Assets Policy, as outlined in Policy 14-02"

MILTON SELECTBOARD



Darren Adams, Chairperson



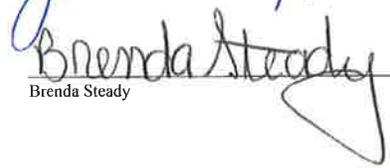
John Bartlett, Clerk



Stuart King

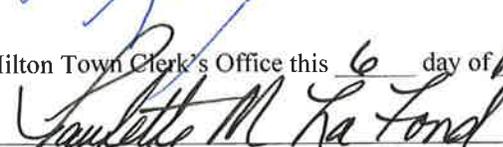


John Gifford, Vice-Chairperson



Brenda Steady

Filed with the Milton Town Clerk's Office this 6 day of MAY, 2014

Attest: 

Milton Assistant Town Clerk

Town of Milton
Asset Addition/Removal

The Following information is Required for All Asset Additions

Acquisition Date	Quantity	Asset Cost Including Fitup Costs	Estimated Life	Salvage Value	Federal Funds Used
					<input type="checkbox"/> Yes <input type="checkbox"/> No

Department			
<input type="checkbox"/>	Town Manager	<input type="checkbox"/>	Rescue
<input type="checkbox"/>	Town Clerk	<input type="checkbox"/>	Public Works
<input type="checkbox"/>	Finance	<input type="checkbox"/>	Highway
<input type="checkbox"/>	Listers	<input type="checkbox"/>	Buildings & Grounds
<input type="checkbox"/>	Information Technology	<input type="checkbox"/>	Library
<input type="checkbox"/>	Police	<input type="checkbox"/>	Recreation
<input type="checkbox"/>	Fire	<input type="checkbox"/>	Water
		<input type="checkbox"/>	Wastewater

Asset Type - Check One			
<input type="checkbox"/>	Land and Improvements	<input type="checkbox"/>	Machinery and Equipment
<input type="checkbox"/>	Buildings and Improvements	<input type="checkbox"/>	Computer Hardware
<input type="checkbox"/>	Infrastructure and Improvements	<input type="checkbox"/>	Computer Software
<input type="checkbox"/>	Vehicles		

Asset Description		
Year	Make	Model
Serial Number		

Asset Removal

Asset Description		
Year	Make	Model
Serial Number		

Date _____

Signed: _____
Town Manager