



LYNNWOOD
WASHINGTON

TITLE: Small and Attractive Assets (Items) Policy		POLICY:
EFFECTIVE DATE: 8/1/2016	SUPERSEDES: NA	PAGES: 4
MAYOR: Nicola Smith 	DEPARTMENT DIRECTOR: Sonja Springer 	ACCOUNTING MANAGER: Jeannie Brown 

APPLICABLE TO: All City Departments, employees and elected officials

APPLICABLE STATUTES:

RCW 43.09.200 – Local Government Accounting

State Auditor’s Office – Budgeting, Accounting, and Reporting Systems section 3.1.3 – Internal Controls

OMB Circular A-102 Common Rule

POLICY STATEMENT:

The policy of the City of Lynnwood to maintain accountability for all tangible items that do not meet the criteria of a fixed asset, are easy to transport freely and, as such are at a greater risk of being damaged, lost or stolen.

PURPOSE:

The purpose of this policy is to identify assets that may be at greater risk of being damaged, lost or stolen and to establish a system for accountability of those items through controls resulting in responsible stewardship of the public resources. Each department is responsible for maintaining their own Small and Attractive Asset Listing, to be verified by a physical inventory at least at year end and available for review by the State Auditor at audit time.

DEFINITION:

A small and attractive item is a tangible item that costs \$500 or more (including sales tax and ancillary costs), does not meet the \$5,000 threshold requirement of a capital asset, has a useful life of more than one (1) year, can be easily transported and not likely to be missed immediately upon disappearance. In general, small and attractive items are theft-sensitive items that can be easily moved, therefore more vulnerable to loss. The threshold is applied to individual assets rather than to an aggregation of assets.

The following items must be included as small and attractive items:

- Weapons, firearms and accessories
- Signal guns
- Laptops, tablets and notebook computers

The following items may be considered small and attractive items:

- Smartphones
- Cameras and photographic projection equipment
- Binoculars, telescopes, infrared viewers and rangefinders
- Tools
- Portable GPS devices

Items that are less than \$5,000 and are more permanent in nature such as, desks, tables, shelving, file cabinets and items affixed to a wall are not to be considered small and attractive items.

RESPONSIBILITY:

The mayor designates authority to the Administrative Services Director to establish the procedures for the accounting of small and attractive items. The Administrative Services Director has the authority to delegate administration of the accountability to staff, as needed to ensure compliance and appropriate controls are maintained.

Departments who are custodians of the small and attractive items are accountable for the safety and security of the equipment and data in their care and/or control. Departments should assign an Inventory Control Officer (ICO) responsible for managing the small and attractive assets for the department.

Departments should update and maintain their Small and Attractive Assets listing regularly, documenting additions, transfers, deletions and retain the master listing in <http://lynnweb/CityApps/Pages/Assets-Inventory.aspx> to the appropriate department folder.

PHYSICAL INVENTORY:

Each department will perform a physical inventory of the items a minimum of one time each fiscal year.

Departments are responsible for preparing and maintaining their small and attractive inventory list and submitting it to the Administrative Service Department by January 31st of each year.

As a part of the physical inventory, each department should verify the existence and condition of each item on the list and make a note of any additions not reflected on the list. Deletions, transfers, losses, disposed, or surplus items should be shown on the inventory listing as a strikethrough along with reason on the current year listing and not removed until the next year for audit trail purposes. Each item on the list must include a thorough identifying description (make, model, serial number, location) and value.

Department personnel conducting the physical inventory and reconciliations must be independent of personnel purchasing assets.

After the physical inventory is completed, the department designated inventory control officer is to conduct the reconciliation process and certify the reconciliation with a signature that it is correct.

Administrative Services staff will perform random tests to verify small and attractive assets purchased appear on department inventory lists.

TRANSFERS:

Occasionally, transfers of property between departments, individuals within a department or between funds will occur. The original controlling department or fund is accountable for all assets and for notifying the receiving department ICO of the transfer.

If an interdepartmental transfer occurs involving a proprietary fund, a transfer of money must be made for the fair market value of the item.

LOST OR STOLEN ITEMS:

When suspected or known losses of small and attractive items occur, departments should conduct a search for the missing property. The search should include transfers to other departments or divisions, storage, disposal, conversion to another asset, etc.

If the missing property is not found:

- Notify the department ICO, department manager, and the Administrative Services Director or their designee as soon as feasibly possible.

- Have the individual deemed primarily responsible for the asset, as well as that individual's supervisor, complete and sign a statement to include a description of events surrounding the disappearance of the property, who was notified of the loss, and steps taken to locate the property.
- Administrative Services will report known or suspected losses of assets to the State Auditor's Office in accordance with RCW 43.09.185 and a copy of the report will be provided to the Mayor, and City Council.
- Administrative Services will remove the lost or stolen property from the departments inventory and accounting records where applicable. Departments should also update their master list to note the loss.

SALE AND DISPOSAL OF ASSETS:

The sale or disposal of small and attractive items must be in compliance with the City of Lynnwood Surplus Policy.

