

Property Control Policy



City of Clermont, Florida

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A. Purpose

The purpose of this Policy is to establish procedural guidelines for the management control and continuing accountability of City owned tangible and intangible personal property. This policy will provide information on how to account for its acquisition, safeguarding and final disposition in accordance with Chapter 274.02, Florida Statutes and the Florida Administrative Code Rules 69I-73.

B. Scope

This policy applies 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. Department Directors shall assign a designated Property Custodian for their department for the supervision, control and accountability of city owned property. Inventory must be taken on an annual basis and whenever there is a change of Property Custodian or designee. Departments are responsible for the establishment and maintenance of control systems to account for tangible personal property not covered by this Policy.

D. Physical Inventory

The annual physical inventory will be performed by the City's Purchasing Department Property Coordinator with assistance from each department Property Custodian or designee. The Purchasing Department will provide an inventory list of all property items to each department with a scheduled time for completion. The list will include the property control number, property description, date acquired, class and sub-class, physical location, property tag number, serial number (if applicable), and department name. The Property Custodian or designee will verify the property listing with assistance from qualified individuals from each department. Each item listed will be marked either YES if found or NO if not found. If the item is not found an explanation must be provided in writing by the department Property Custodian or designee. Changes are noted for items transferred to another department. The transfer will be confirmed by the Purchasing Department Property Coordinator physically inspecting the property in its new location.

The Purchasing Department Property Coordinator will perform a physical inventory of twenty percent (20%) of each department inventory each year during a five (5) year period. In the event that several items cannot be located, the Purchasing Department Property Coordinator may determine to inventory all department items. Upon completion of the physical inventory, the Purchasing Department Property Coordinator will compare information noted to the property control system. Noted differences will 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, will be added to the City's inventory. A Property Acquisition Form must be completed and submitted to the Purchasing Department. After appropriate research to establish the ownership of the item, it will be added to the City's property records, if appropriate.

E. Lost & Stolen Property

Any property that is included in the inventory list and not located during the physical inventory process must be promptly reported to the Property Custodian. Department's Property Custodian must promptly report all lost or stolen property to the Clermont Police Department and the Purchasing Department. The Property Custodian must provide a copy of the police report along with the Property Disposal Form to the Purchasing Department. The Purchasing Department will submit a list of all reported missing items to the City Manager for review before obtaining approval from the City Council. Upon approval by the City Council, the property will be removed from the property control system.

F. Property Identification

All property as described in Section B. will be permanently marked by the Purchasing Department Property Coordinator with property tags to show ownership by the City and the tag number assigned to the property item. Once the Property Acquisition Form has been reviewed by the Finance Department and received by the Purchasing Department, the Purchasing Department Property Coordinator will schedule an appointment with the Department Property Custodian to tag the asset.

Any property item whose value or utility would be significantly impaired by the attachment of a property tag, or it is not feasible or practical to attach a property tag, is exempt from the requirement for physical marking. In such instances, the property tag will be kept on file by the Purchasing Department.

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.

The property control number assigned by the Purchasing Department remains the same and follows the life of the asset until disposal. These property tags will be removed only when the item is approved as surplus by the City Council and disposed of by the Purchasing Department. Should the property tag be removed or defaced, the Property Custodian must notify the Purchasing Department in order to issue a replacement tag and update the property control system.

G. 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 in such a manner as to reduce the recorded acquisition cost.

H. Property Acquisition

A Property Acquisition Form must be completed by the Property Custodian at the time of acquisition and submitted by email to propertycontrol@clermontfl.org. A purchase order and invoice must be attached to the form. It is the combined responsibility of the requisitioning department and Finance Department to ensure that the invoice/purchase

order is charged to the correct general ledger account code for all property items. Each property acquisition form will be reviewed by the Finance Department before submitting it to Purchasing for entry in the property control system.

The acquisition of new fixed assets must be recorded and entered into the property control system by the Purchasing Department with assistance of the Finance Department. New acquisitions must contain the following information in the Property Acquisition Form:

- Contact person information;
- Property location;
- Employee assigned the property to;
- Property information to include:
 - Company purchased from;
 - Purchase order number;
 - Year/ make/model/manufacturer/brand;
 - Serial number;
 - City vehicle number;
 - Total cost of property;
 - Date received;
 - Department account code;
 - Comprehensive description of the property;
 - Property alternate key (land).

The Purchasing Department will collect and verify the information before entering it in the Property Control System.

1. Cost of Property

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.

2. Property Donations

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.

3. Creating A New Property From Parts

Property created by assembling parts of several old items into a new one is considered cannibalizing and will be recorded in the property control system if its cumulative value is over \$1,000 as described in Section B. The new formed property will also be recorded if it qualifies as an improvement to an existing property item.

Any cannibalized property should be disposed of through the property disposal procedures noted in Section J.

I. Property Transfers

Property may be transferred between departments; therefore transferring ownership. However, property cannot be transferred from one department to another once the property has been declared surplus. The transferring Property Custodian is responsible for the completion of the Property Transfer Form and approval before the transfer takes place. The completed transfer form must be submitted to the Purchasing Department by email to: propertycontrol@clermontfl.org. Once the property item has been physically transferred, the transfer will be recorded in the property control system by the Purchasing Department Property Coordinator.

A Property Transfer Form must also be completed when a property item is relocated within the same department (e.g. transfer from one division to another within the same department).

J. Property Disposition

All City-owned tangible personal property (including property not described in Section B.) that no longer serves the needs of the City (e.g. broken, in need of repair, or no longer needed) may be removed from inventory records by declaring them as surplus. This includes lost and found property by the Police Department after a ninety (90) day period. A Property Disposal form must be completed and sent to the Purchasing Department by email to: propertycontrol@clermontfl.org.

All surplus property must be approved by the City Council with the exception of lost and found property by the Police Department. Once approved by the City Council, the Purchasing Director will 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 by the Purchasing Department, it will be recorded in the property control system and the form submitted to the Finance Department. Afterwards, the property item will be retired from the property control system.

K. Authority

Approved and adopted by the Clermont City Council by Resolution Number 2019-31R on November 12, 2019.



CITY OF CLERMONT
RESOLUTION NO. 2019-31R

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 adopt 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. 2019-31R

DONE AND RESOLVED by the City Council of the City of Clermont, Lake County, Florida this 12th day of November, 2019.

CITY OF CLERMONT

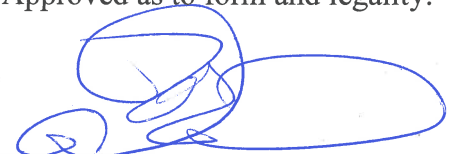

Gail L. Ash, Mayor

ATTEST:



Tracy Ackroyd Howe, City Clerk

Approved as to form and legality:



Daniel F. Mantzaris, City Attorney