

POLICY #250

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA

POLICY GOVERNING ASSETS INVENTORY

REFERENCE:

Recommendations from the 2003 Audit by the accounting firm of “Pinnock, Robins, Posey, and Richins”.

PURPOSE:

To establish a policy for the disposal, trade-in, or sale of fixed assets and inventory procedures.

SECTION I: DEFINITIONS

Accountant – Employed by Cottonwood Heights Parks & Recreation Service Area in the position of Accountant as per the Service Area job description.

Controlled Assets – Equipment with an initial value of \$500.00 to \$4999.00.

Equipment Inventory – Equipment with an initial value of \$50.00 to \$499.00 maintained on an inventory list by the department head.

FAS Program – Fixed Asset Schedule

Fixed Assets – All equipment with an initial value of \$5000 or more that is the property of Cottonwood Heights Parks & Recreation Service Area

SECTION II: POLICY

- 1.0 Purchases of a single item for more than \$5000 will be capitalized and depreciated over the expected life of the asset on the FAS Program through accounting.
 - 1.1 Three years for computers, five years for equipment, ten years for improvements, and twenty for buildings.
- 2.0 Disposal of assets requires the authorization of the Department Head and approval of the Director on a disposal form.
 - 2.1 The disposal form includes the appropriate signatures, the serial number, and the control number.

- 2.2 The Cottonwood Heights Parks & Recreation Service Area accountant is responsible for recording all information from the disposal form.
- 3.0 Trade-ins require authorization of the department head and approval of the Director.
 - 3.1 The amount of the trade-in is recorded with the Accountant.
- 4.0 Sales of assets require authorization of the department head and approval of the Director.
 - 4.1 All sales of assets are recorded with the Accountant.

SECTION III: PROCEDURE

- 1.0 Control numbers will be issued by the Accountant for all equipment purchases \$500.00 or more.
 - 1.1 The serial number will be recorded by Accountant for inventory purposes.
- 2.0 An inventory of all fixed assets is done at the discretion of the Director and the direction of the Auditors.

APPROVED AND PASSED THIS _____ DAY OF _____, 20__

COTTONWOOD HEIGHTS
PARKS AND RECREATION SERVICE AREA

By:_____

Mike Peterson, Director

BOARD OF TRUSTEES

By:_____

E. Bart Hopkin, Chairman