

SUBJECT: PROPERTY AND EQUIPMENT

I. Policy

To establish standards for the adequate safeguard of city property, plant and equipment. Such safeguards can only be established through the development of physical and accounting controls.

II. Procedure

- A. A physical inventory of capital equipment items in the city will be taken annually. Equipment items will be listed and grouped according to department. Equipment listings will reflect for each individual item: identification tag number (if applicable), description (including serial numbers) and funding source. Department heads will be responsible for their inventory and equipment.
- B. A separate listing of all acquisitions and disposals made during the fiscal year will be maintained by the Finance Department. In addition to the information required for the equipment listing, the acquisitions listing will include the method of acquisition and should refer to supporting documentation (e.g., purchase order number, check number).
- C. An identification system will be maintained by the Finance Department to provide physical control over equipment. This system should provide for the following:
1. All capitalized equipment items (unit value/cost \$1,000 or more and with a useful life of more than one year) must be inventoried. The assigned identification numbers will be recorded on the equipment listing.
 2. Identification tags will be numbered on a city-wide basis.
 3. The distribution of tags will be controlled by the Finance Department, with a record of identification tag assignments by the Finance Department.
- D. All acquisitions and disposals of equipment items will be supported as follows:
1. Purchases - The related purchase order number and check numbers, vendor's invoice and receiving report will provide support for all acquisitions.
 2. Disposals - All disposals will be reported on a Request for Authorization to Dispose of Equipment form. (Exhibit R)
 3. For purposes of property control through trade-in, sale, transfer, reporting a loss, or other circumstance, the Request for Authorization to Dispose of Equipment form will be utilized by all department heads.

CITY OF COTTONWOOD, ARIZONA
Request for Disposal of Equipment Form

Department _____

Equipment Description	Serial #	I.D. Number	Fund

Reason for Disposal:

Approvals:

Department Head / Date

Finance Director / Date

City Manager / Date