

RESOLUTION NO. R2012-31

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO
ADOPT A CAPITAL ASSET DISPOSAL POLICY.

WHEREAS, the Municipal Technical Advisory Service advises the creation of a capital asset disposal policy to guide staff in the disposal of assets that have been declared surplus; and

WHEREAS, the Town Manager recommends that the Town Council adopt the attached Capital Asset Disposal Policy;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Signal Mountain, County of Hamilton, Tennessee that the Town Manager is authorized to adopt the attached capital asset disposal policy as the official Capital Asset Disposal Policy of the Town of Signal Mountain.



MAYOR

7/9/12

DATE



RECORDER

7/9/12

DATE

Town of Signal Mountain

Capital Asset Disposal Policy

A capital asset is a tangible or intangible asset used in the operation of the Town with a useful life extending beyond a single reporting period. An asset may be declared “surplus” when it is no longer of significant use to the Town. Capital assets transferred between departments are not included in this policy. However, such transfers must be approved by the Town Manager and appropriately documented by the Finance Director.

Determination:

Disposing of a “surplus” asset is appropriate under the following conditions:

1. An asset is no longer of use to any department of the Town even though it may be in working or acceptable condition.
2. An asset is no longer in working or acceptable condition.
3. An asset cannot be rehabilitated to be useful to another department or as a backup.

Disposal:

A “surplus” item in operating or acceptable condition, but of no longer useful to any department of the Town may be sold, donated or scrapped under certain conditions:

1. Sales will be made public and available to all interested parties, except as otherwise provided by law.
2. GovDeals is the Town’s preferred venue for selling “surplus” items.
3. A “surplus” asset may be sold by other means such as public auction or through a process of sealed bids if publicly advertised for two weeks in the newspaper and on the Town website.
4. Under certain conditions, a “surplus” asset can be sold or donated to other governmental or not-for-profit entities outside of public sale. However, the recipient must provide the Town with a waiver of liability.
5. If efforts to sell or donate a “surplus” asset are unsuccessful, the Item should be scrapped as long as any component parts in good condition that may be useful are removed first.

NOTE: In cases of multiple unit disposals (e.g., several tables, chairs, multiple filing cabinets, etc. in the same area) proper procedure requires that costs and value must be considered individually as well as in aggregate.

Authorization:

A “surplus” asset may be removed from Town ownership with authorization as follows:

1. A department head with the approval of the Town Manager may declare an asset valued at less than \$500 “surplus.”
2. An asset valued at more than \$500, real property or property donated or sold to another governmental agency outside of a public sale, must be declared “surplus” by a majority vote of the Town Council.
3. A transaction transferring a “surplus” asset to another governmental or not-for-profit entity outside of public sale that exceeds a value of \$2,500 must be approved by a resolution of the Town Council.

Disposal Process:

An asset disposal must be appropriately processed through the Finance Director:

1. To dispose of a capital asset valued under \$500, a Capital Asset Disposal Form listing pertinent information (model number, description, estimated value, etc.) must be submitted the Finance Director or his/her designee with the appropriate approvals and authorized signatures.
2. To dispose of a capital asset valued over \$500, a copy of the Town Council minutes approving the disposal must accompany the Disposal Form.
3. To transfer a capital asset valued at \$2,500 or more to another governmental or not-for-profit entity outside of a public sale, a copy of the Town Council’s resolution approving the transfer as well at a copy of the minutes must be included with the Disposal Form.
4. To sell on GovDeals, a Disposal Form as well as necessary documentation must be submitted along with GovDeal correspondence and sale information.
5. To sell through a public auction or a bid process, a Disposal Form as well as copies of public advertisements and other necessary documentation must be submitted.

Documentation:

To maintain an accurate inventory listing of Town property, the Finance Director will track and record the disposal of capital assets as follows:

1. Identify “Disposals” within the fixed asset listings and/or itemized insurance listings. Any unused capital asset held in storage may be released from insurance coverage if deemed beneficial by the department head. Such asset will remain on the insurance list, albeit at a \$0 value.
2. Initiate and complete the original fixed asset data entry form’s “Disposal” section.