

Office of Business and Financial Services
Procurement and Contracts Division / Section 2520.1

2520.1 SUBJECT: CAPITAL ASSETS

Objective:

To establish policies, guidelines and procedures for the inventory, depreciation, disposal and maintenance of all property and assets owned or leased by the City of Orlando. This policy is designed for use by City of Orlando departments and agencies to promote understanding of the City's Capital Asset Accounting System and to assist them in preparing the capital asset accounting documents utilized by Asset Management system.

Periodically, this policy will be reviewed and revised as changes in policies, accounting standards or laws may require. Revisions to this policy will be distributed to ensure proper accounting of capital assets.

Authority:

This procedure amended by City Council December 9, 2019, Item A-3.

Direction:

The Chief Procurement Officer (CPO), as an appointed official, serves at the pleasure of and receives direction from the Mayor through the Chief Financial Officer.

Functions:

1. General

- a. It is the policy of the City of Orlando that a capital asset accounting system be established, implemented and maintained which will provide:
 - i. Policies governing capital asset accounting;
-

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

- ii. Guidelines for the accountability and financial and physical control of all City assets; and
- iii. Consistent and uniform procedures and transactions for accounting of capital asset throughout City departments and agencies.

This system will contain physical controls and procedures that hold department heads responsible for land, buildings and specific equipment and machinery located in their departments and an annual inventory of same, indicating gain or loss of inventory items.

Capital asset reporting will be done consistent with the requirements of Statement 34 issued by the Governmental Accounting Standards Board and the annual value of such assets will be included in the Comprehensive Annual Financial Report (CAFR) prepared by the Controller of the City of Orlando.

- b. An effective system of accounting for City property serves the public's best interest and provides City management with information which is of value for budgetary and other purposes. Inventory control will provide the following:
 - i. A current perpetual inventory of City property.
 - ii. Responsibility for the security and accountability of City property.
 - iii. Accurate information for accounting and auditing purposes.
 - iv. Continuous identification of each item under inventory.
 - v. The quantity and value of the inventory at any given period.

2. Definitions

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

- a. Accountability Officer – Director, Division Manager, Office Manager, or other unit head having custody of property.
- b. Asset Custodian – Person whom Accountability Officers designate as their agents for internal responsibility for custody of property and liaison with the Asset Management Office. Designation of Asset Custodian is assigned in Workday for each fixed asset cost center.
- c. Asset Management – Office responsible for the accountability/control, transfer, and disposal of the City's Capital Assets.
- d. Asset Verification Form – A copy of the record and City asset number which is sent from Asset Management to the receiving Asset Custodian. It is used as verification of property being received and tagged by the receiving Department and held in Asset Management's Program files.
- e. Capital or Fixed Asset – Any item of tangible personal property owned by the City or a using agency of the City that has an original value of \$5,000 or more; is a complete entity within itself (as distinguished from components); and has a life expectancy of one year or more. Also, certain tangible personal property with an original value less than \$5,000 is also defined as an Asset as detailed in Procurement and Contracts Division Directive. The term shall not include real property, intangibles, or consumables. The decision of accountability and whether an item of personal property is a capital asset shall be made by the Property Control Officer. Items less than \$5,000 in value will be defined and treated as Locally Controlled Assets, unless otherwise determined and designated as a capital asset for property accountability purposes by the Chief Procurement Officer.

Capital Assets will be categorized into several major classes. These classes provide the structure for the capital asset

Office of Business and Financial Services
Procurement and Contracts Division / Section 2520.1

accounts and define processing requirements for the different types of assets.

Major asset classes include:

- i. Land and land improvements
- ii. Buildings and building improvements
- iii. Machinery and equipment, including
 1. Vehicles
 2. Off-road equipment
 3. Office equipment
 4. Computer equipment (in most cases hardware only)
 5. Furniture and fixtures
 6. Software
- iv. Infrastructure
- v. Construction in progress
- vi. Capital leases
- vii. Artwork

Additions, major renewals and replacements that increase the useful lives of the assets are capitalized.

- f. City – City of Orlando, including City Council, any department, commission, board, division, office, committee, institution, authority, agency or other establishment or official of the City government.

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

- g. City Property (Property) – All tangible personal property owned by the City or a using agency, including both Capital Assets and locally controlled assets.
- h. Designee – Duly authorized representative of a person holding another position
- i. Disposal – Approved removal from the inventory record of property resulting from sale, trade-in, donation, destruction, cannibalization, or permanent unserviceability.
- j. Excess Supplies – Supplies having remaining useful life, but which are no longer required by the using agency in possession of said supplies.
- k. Fixed Asset Acquisition – Act of entering data of newly acquired fixed assets into in the Fixed Asset System's Master records, including accounting and descriptive information.
- l. Inventory Control – Continuing procedure for maintaining an adequate record of the existence, location and responsibility for each Capital Asset.
- m. Locally Controlled Asset – Means an asset that is not capitalized or inventoried by Asset Management and which is the responsibility of the Department Director or Division Manager to properly track and inventory.
- n. Property Control Officer – The City's Chief Procurement Officer or designee(s).
- o. Surplus Property – Property no longer having any use to the City. This includes obsolete supplies, scrap materials, and non-expendable items that have completed their useful life cycle.
- p. Transfer – Approved and permanent change in accountability for property from one Accountable Officer to another.
- q. Using Agency – Department, division, commission, board, committee, institution, authority, or other establishment or

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

official of the City which utilizes any supplies, services, or any other item procured under Chapter 7 of the City Code.

3. Vehicular Accountability

The accountability for motorized and accessory equipment is vested in the Fleet Management Division. The record keeping procedures for such vehicular and accessory equipment shall be the responsibility of the Fleet Manager. Physical accountability is a responsibility of the Asset Management Program.

4. Roles and Responsibilities

Property accountability responsibility is vested as follows:

a. Chief Procurement Officer

The Chief Procurement Officer is responsible for the management, administration and supervision of the Procurement and Contracts Division, which Division is responsible for the inventory, management, and control of City property, as defined above. The Chief Procurement Officer shall have the authority to designate any item or type of item, which would otherwise be a locally controlled asset based upon its value being less than \$5,000, a trackable item subject to all the inventory management, tracking, and other requirements of this Policy applicable to capital assets when the Chief Procurement Officer deems it appropriate in the best interest of the City for the protection of City property.

b. Property Control Officer

The Property Control Officer is responsible for the accountability of Capital Assets and for the implementation of approved inventory control procedures to reflect the acquisition and disposal of Capital Assets.

c. Asset Management Supervisor

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

An Asset Management Supervisor performs the detailed inventory control procedures under the direction of the Chief Procurement Officer.

d. Department Director and Division Manager

A Department Director and Division Manager, as applicable, shall:

- i. Ensure that the procedures outlined herein are followed within their respective operations on a continuing basis.
- ii. Establish such intra-departmental procedures as may be deemed necessary to avoid loss or misappropriation of City property. The Department Director or Division Manager will be accountable for the control and tracking of all locally controlled assets assigned to their department or division.
- iii. As the accountable officer, be directly responsible for property assigned to their programs(s) and shall ensure that:
 1. All Fixed Asset transfers are properly completed;
 2. All new Fixed Assets are properly added to inventory; and
 3. Assets not in use are properly disposed of through the Asset Management Office and removed from Fixed Asset inventories.
- iv. Ensure that employees understand and comply with City policies and procedures which prohibit employees from using City property for any work outside the scope of their employment with the City, except as may be specifically approved in advance and in writing by the Department Director or Division Manager.

e. Program Managers

Office of Business and Financial Services
Procurement and Contracts Division / Section 2520.1

A Program Manager is responsible for that property assigned to their units.

f. Capital Asset Accountant

The Controller's Office is an integral part of the comprehensive capital asset management system established by the City. The Controller will designate a Capital Asset Accountant to act as the central coordinator over all accounting activities of the general ledger. Duties include:

- i. Maintain the General Capital Asset Account (GCAA) and bear responsibility for the accuracy of the data contained in it.
- ii. Act as a collection point for all capital asset subsidiary reports.
- iii. Maintain the Construction Work in Process account within the GCAA and reconcile data with the Fixed Asset Manager on a periodic basis.
- iv. Calculate depreciation on Capital Assets recorded in the GCAA.
- v. Conduct audits as necessary to guarantee the integrity of information contained in the GCAA and compliance with City policies and procedures regarding capital assets.
- vi. Include information on the City's Capital Assets in the Comprehensive Annual Financial Report

5. Acquisition of Capital Assets

a. Purchase Order

- i. The Procurement and Contracts Division (Procurement) will issue a Purchase Order for acquisitions of all capital assets. A Capital Item Request form will be submitted

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

with the requisition to determine if the requested item is a replacement or new capital asset.

- ii. Asset Management will monitor open purchase orders and process all received capital assets. Asset Management will create Master records for each asset that meet the capital asset requirements. In addition, assets that do not meet these requirements but are consider sensitive and pilferable will be treated in the same manner. Vehicles and Artwork will also be recorded and tag regardless of unit cost. Highly pilferable equipment such as desktops, laptops, notebooks and tablets will also require the same treatment.
- iii. Information entered by Asset Management will include, but will not be limited to, the following information: (i) asset number, (ii) accounting class and program, (iii) major equipment class, (iv) location, (v) manufacturer, (vi) model, (vii) year, (viii) make and (ix) serial number

b. Acquisitions Other Than Purchase Order

When any program obtains Capital Assets as a result of a project, it is the responsibility of the using agency overseeing the project to ensure adequate records are kept of all capital asset items acquired. The record(s) should include quantity, description, serial numbers, acquisition date and cost. These records should be part of a project file. Upon completion of the project, the overseeing using agency should forward the records to Asset Management. Capital asset items which have been acquired that were not part of a project (i.e., power tools, radios, personal computers, software) must be reported in writing to Asset Management by the receiving program. This also applies to capital asset items donated to the City. Asset Management will manually enter the asset into the Program's inventory.

c. Asset Management Numbers

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

- i. All property tag numbers are assigned by Asset Management.
- ii. Asset Management reviews the Trackable Asset Receipt Report and assigns City Asset Numbers to each qualifying asset in the received status.
- iii. After all appropriate information has been entered by Asset Management; an Asset Verification Form is created.

NOTE: The Fleet Management Division is responsible for assigning information to "M"(motor vehicles) Class equipment.

- iv. Asset Management will forward the new Asset Verification Form and Asset Tag Decal to the receiving program's Asset Custodian. The Asset Custodian will be responsible for physically tagging the capital asset with the city property asset tag and signing the form. The Asset Custodian returns the completed Asset Verification Form to Asset Management.
- v. If the Asset Management Number has not been affixed to the capital asset in accordance with this procedure, the Asset Management Supervisor or designee will ensure that the Asset Control Number is physically affixed (by means of a bar coded label), marked or engraved on the item to which assigned.
- vi. Asset Management will complete the master record with information provided by the Asset Custodian.
- vii. Any request for recording and tagging assets that does not meet the requirements will be subject to Asset Management and CPO approval.

d. Identification of Property

Office of Business and Financial Services
Procurement and Contracts Division / Section 2520.1

i. Method of Marking

1. Each capital item shall be marked with an identifying number and the name of the governmental unit in a permanent manner. Examples of permanent type markings include, but are not limited to: (i) bar code labels, (ii) metal tags, (iii) steel dies, (iv) branding irons, (v) paint or stencils, (vi) electric pencils, (vii) india or indelible ink, and (viii) decalcomania stamps.
2. The type and marking used for identification depends on the class of property. Metal tags and metal decalcomania stamps should not be used to mark property such as automobiles, trucks, draglines or bulldozers. Painting the identification number on this type of property is more appropriate and permanent.
3. On a case by case basis, certain equipment belonging to the Police Department will not be tagged due to security reasons. In such cases, the Police Department will be responsible for coding these items with their own marking system to identify such items with the registered City asset numbers.
4. Artwork shall not be tagged if such tagging will deface or devalue the artwork itself. The artwork will be assigned a City asset number and identified by its description or title.
5. Additionally, because of the nature or usage of some fixed assets, it can be difficult to tag the assets. In such cases, the Asset Management Supervisor will decide which of these assets will not be tagged and the proper registration system for such items.

Office of Business and Financial Services
Procurement and Contracts Division / Section 2520.1

ii. Location of Tags

1. Identification tags should be uniformly located on similar types of property.

e. Class of Property

Equipment which forms a part of the building services system and is permanently attached to and becomes a part of the building, may be recorded as “Building” or “Building Additions.” Such items are not included within the definition of “Capital Asset” subject to these rules. Equipment which serves in a standby capacity that is not installed in a building but is intended to be installed in a building on an intermittent basis as a replacement unit for the purpose of maintenance shall not be included within the definition of a capital asset for purposes of this policy. Equipment which falls in this category shall be accounted for by the Asset Custodian through the implementation of a local inventory control system which shall be separate from the system described within this policy. All other Capital Assets, as defined in Section 4B., Definitions, should be included in the property record either under group control or under unit control.

i. Property Under Unit Control

Property that is not a part of a building structure is accounted for as a single unit or entity in itself so that it retains its separate identity in the records. All property bearing a motor number or a manufacturer’s serial number, and property consisting of less than ten (10) units in the custody of a single custodian must be accounted for on a unit basis.

ii. Property Under Group Control

Property consisting of items that are the same with respect to date acquired, voucher number, cost, function, material, shape, and size, and that do not have a motor or

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

serial number may be accounted for as a group rather than as single pieces. Chairs, desks, and filing cabinets are examples of property that may be recorded under group control. If there are less than ten (10) such units in the custody of a single custodian, each item must be accounted for under unit control. Each unit must be identified as prescribed in Identification of Property above.

f. Inventory of Property Currently on Hand

It shall be the responsibility of Asset Management to inventory all Capital Assets and other property subject to inventory control as provided herein which are located in the areas being inventoried. Accountable Officers shall make available the services of the Asset Custodian to assist in the inventory, as required, and to physically locate all property which is subject to inventory control. Asset Management will furnish each Asset Custodian a Fixed Asset Management Report of all items currently on hand.

Asset Management shall annotate all capital item(s) found on a physical inventory that do not appear on the Asset Master Listing. Asset Management will process those capital assets not currently on record, ensuring that they are listed and a City Asset Number is assigned.

During the physical inventory of a Department, should any Capital Asset(s) be found that are not assigned to the inventoried Department, Asset Management will investigate and if appropriate, initiate a transfer to correctly assign the asset(s) to its proper Program's inventory file.

Property that does not meet the capital asset requirements will be treated as Locally Controlled Assets. The Asset Custodian will conduct the annual inventory for all these assets. Results will be recorded and presented during the capital asset inventory conducted by Asset Management annually. Sensitive

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

and pilferable assets will be treated in the same manner as Capital Assets for inventory purposes.

The following Assets are subject to Annual Inventory by Asset Management:

- i. Capital Asset
- ii. Vehicles
- iii. Artwork
- iv. Desktops
- v. Laptops
- vi. Notebooks
- vii. Tablets

6. Classification and Valuation Policy

a. Land

Land acquired and intended for public use by the City of Orlando will be capitalized. The amount to be capitalized will be the actual cost at the time of acquisition. Actual cost shall include purchase price and any fees for services related thereto, e.g. commissions, surveying fees, appraisal and negotiation fees, professional fees of engineers, attorneys, appraisers and financial advisors, damage payments, title preparation costs, site preparation costs and costs to demolish unwanted structures (less salvage).

For donated land, the fair market value of the land as of the date of acquisition will be capitalized. The fair market value will be determined by the Real Estate Section of the Finance Department. Easements, rights-of-way or dedicated roadways will not be included in the Land Account.

Office of Business and Financial Services
Procurement and Contracts Division / Section 2520.1

b. Buildings

Buildings are defined as structures to house equipment and supplies, or to provide services and governmental functions. A building with an original cost equal to or greater than \$250,000 will be capitalized in the Building Account. Capitalized costs of a building purchased by the City will include purchase price, professional fees of appraisers and attorneys, and any related costs necessary to put the building into its intended state of operation, e.g. environmental remediation such as asbestos removal. Capitalized original cost on a constructed building will include the cost of constructing the asset, architects' and engineers' fees, permits, insurance, and other administrative costs, such as clerical work and appraisals. Land acquisition costs are not included as part of the building costs. In addition to the costs outlined above, the following expense items should be included in the original cost of the asset if they are not included in the primary construction contract or work order:

- i. Built-in casework, walk-in coolers and freezers, built-in shelving, etc.
- ii. Bleachers and fixed gymnasium equipment.
- iii. Graphics and directories.
- iv. Bathroom accessories.
- v. Carpets (other than moveable rugs).
- vi. Compressed air systems, plumbing systems, sprinkler systems, heating, venting and air conditioning systems which are fixed to the structure.
- vii. Emergency generator systems for building support.
- viii. Built-in public address systems, etc.
- ix. Demolition of an existing structure

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

If a building is acquired for a specific use by the City other than by a City-sponsored contract or direct purchase i.e. donated, it will be recorded at its fair market value as of the day of acquisition, plus ancillary charges, if any.

c. Machinery and Equipment

These are fixed or movable assets which are to be used for operations. Machinery and equipment with a useful life in excess of two years and an original unit cost of \$5,000 or more will be capitalized and included in the Capital Asset Accounting System. Examples of machinery and equipment are vehicles, off road equipment, office equipment, major pieces of office furniture, business machines, communications equipment, maintenance equipment, computer equipment and upgrades, etc.

Machinery and equipment assets are valued at actual or estimated cost, including ancillary charges. Ancillary costs considered in determining the value of these assets include transportation charges, installation costs and extended warranty contracts or any other normal or necessary costs required to place the asset in its intended location and condition for use.

An exception to the capitalization policy is made for equipment acquired with grant funds. Grant equipment which would, by definition, be capitalized equipment but which was acquired with Federal and State grants requiring the ownership remain with the granting agency will not be recorded in the equipment account.

d. Infrastructure

Infrastructure assets are long-lived capital assets that normally are stationary and can be preserved for a significantly longer period than other capital assets. Examples of infrastructure include roads, bridges, tunnels, sidewalks, lighting systems, and drainage, water and sewer systems. Various City

Office of Business and Financial Services
Procurement and Contracts Division / Section 2520.1

authorities have responsibility to account for certain of the City's infrastructure assets.

e. Construction Work-In-Progress

This category is used to account for amounts expended on an uncompleted building or other capital construction project. Costs accumulated from an asset during construction will be recorded in the Construction Work in Progress (CWIP) Account in the GCAAG. This is a subsidiary account which accumulates construction costs until that project is completed. Once the construction is completed, related costs are transferred from the CWIP account to the applicable capital asset building account. When construction work is performed by outside parties under contract, many of the above costs are included as part of the payment made to the related contractor. Site preparation costs associated with construction works in progress are accounted for in any one of the following manners:

- i. Costs are capitalized as part of the initial cost of the land or buildings;
- ii. Costs are recorded as removal cost, i.e. expensed, if a building previously in operation by the City is being retired; or
- iii. If site preparation costs involve the demolition of an existing structure, then those costs are considered part of the value of the new structure. However, if no new structure is to be erected, then these costs are to be expensed.

f. Leases

In accordance with GASB Statement 87, Leases (effective October 1, 2020), leases entered into by the City for the right to use another entity's non-financial asset for a term greater than 12 months, with no transfer of ownership or termination options, are considered long-term leases, and the City would report the

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

lease as an asset with a corresponding lease liability. An expense would be amortized over the lease term to use up the lease asset, and periodic interest expense would be reported on the lease liability.

Short-Term Lease transactions that are 12 months or less are treated as expenses.

g. Artwork

All Artwork acquired by the City through purchase or donation will be capitalized and treated as a non-depreciable capital asset.

7. Inventory Control

a. Physical Inventories

Physical Inventories shall be conducted by Asset Management. Such inventories will be in coordination and with the assistance of the appropriate Accountable Officer or designated custodian. Fixed Asset Inventory listings shall be certified by the Accountability Officer and the Asset Management representative upon completion of the inventory. Inventories shall fall into one of the following categories:

- i. Initial – the initial inventory to establish the property accountability record of a department, office, division or unit.
- ii. Special – an inventory initiated at the request of the Accountable Officer, change of Accountability Officer, or by direction of the Mayor or the City Council.
- iii. Annual – an inventory taken once during each fiscal year of each department, office, division, or unit.

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

The Property Control Officer may waive the requirement for the annual inventory providing a new or special inventory has been conducted during the fiscal year.

The inventory will be an actual physical verification of each capital asset. The physical inventory data will be screened against the current Fixed Asset Data within the inventory program. If there are no discrepancies, the inventory report will be signed by the Asset Custodian and Asset Management representative.

b. Discrepancies

Any discrepancies will be noted on an Asset Management Discrepancy Report and sent to the department custodian and division manager. This report will be utilized by the Asset Custodian to locate the discrepancies and to inform the Asset Management Supervisor of the findings. When the missing items re-inventory has been completed, the Department must notify Asset Management of the findings. Assets that are not located during this re-inventory must be reported to Asset Management. Asset Management will initiate the Relief of Accountability form and forward to the Asset Custodian. After thorough investigation for the missing items, a completed Relief of Accountability form is signed by the Asset Custodian, Division Manager and Department Director.

c. Non-Recorded Property

If a Capital Asset is found during a physical inventory that is not on the record, action shall be taken to list such property on the property accountability record.

8. Transfer of Capital Assets

a. Transfer between Accountable Asset Custodians

When it is necessary or desirable to transfer Capital Assets between programs, the following procedure shall be followed:

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

- i. The Accountable Asset Custodian transferring property shall initiate the transfer process by initiating an asset transfer event in the management system. The appropriate manager shall review and make a decision to approve or disapprove the transfer.
- ii. The Receiving Asset Custodian and the appropriate manager shall approve the transfer event upon receiving the asset under their custody.

b. Internal Transfer

When an Accountability Officer finds it necessary to permanently relocate fixed assets from one location to another within the same program, the Accountable Officer will transfer the asset(s) in the same manner as described in the transfer between Programs, except the Accountability Officer will transfer and accept the Asset as changing the locations only.

9. Disposal of Property

Property may become available for disposal or cannibalization for various reasons, i.e., unserviceable, uneconomical to repair, or excess to City needs. The Chief Procurement Officer is authorized by Chapter 7 of the City Code to sell, trade, or otherwise dispose of surplus supplies and property belonging to the City. Any disposal of surplus property shall be in accordance with applicable provisions of the City Code and policies and procedures, including but not limited to Policy and Procedure 2520.2, Disposal of Surplus Property.

Procedures for disposal and cannibalization are as follows:

- a. Scrap Metals – The disposition of accumulated scrap metals shall be in accordance with Policy and Procedure 2520.2.
- b. Other Surplus Property – When the Accountability Officer determines that an item of property is no longer needed, including but not limited to reasons that the property (i) has been replaced, (ii) is unserviceable or uneconomically repairable, or (iii) is otherwise excess, he or she shall turn-in

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

the asset and initiate transfer to Asset Management Office. The Asset Management Supervisor will approve the transfer once the property is in custody. The surplus property typically will be disposed of through the Third Party Logistic (3PL) provider designated by the City. The Asset Management Coordinators will initiate disposal event in the system once the final disposition of the asset has been received from the 3PL. The Asset Management Supervisor and the Property Control Officer will review and approve the disposal event. The Capital Asset Accountant will also review and disposed the asset from the property book.

In the best interest of the City, the Property Control Officer may request that property be made available to the Asset Management Program for disposition or held for reissue to other departments either on a temporary or permanent basis.

- c. Motor Vehicles Disposal – All Motor Vehicles that are decommissioned by Fleet Management will be transferred to Asset Management for disposal. All vehicle titles and keys will be provided to Asset Management Supervisor for further disposition. Vehicles that are fit for re-sale typically will be auctioned through the 3PL contracted by the City. Vehicles with salvaged title will also be sold through auction. OPD seized vehicle disposal will have the same procedure except that the titles and keys will be release by OPD Fleet Management via the City Attorney Office. All titles will be sign by the CPO, acting as the seller for the City. The Asset Management Supervisor will coordinate the Auction and will release the vehicle after upon receipt of payment.
- d. Requests for Excess or Confiscated Property – All requests for excess or confiscated property having a value of \$5,000 or more for the purpose of reissue or donation must be accompanied by a specific justification statement. Since acquisition of such items (from excess/confiscated property or from the Budget procedures) may impact the City's budget process. Each request for use of excess property along with the

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

justification statement must be forwarded to the Asset Management Supervisor for review and for a final determination by the CPO or designee.

10. Stolen, Lost, Damaged, or Destroyed Property

Stolen, lost, damaged or destroyed property will be immediately reported to the appropriate Supervisor, Division Manager, Department Director, and Asset Custodian. The Asset Custodian will ensure that the Orlando Police Department is immediately notified of all incidents involving theft or vandalism. A police report must be filed for these occurrences.

In cases where capital equipment has been stolen, lost, damaged or destroyed (excluding cases where assets were damaged or destroyed as a result of ordinary wear and tear), the following additional procedure will be initiated.

Investigation Process

- a. The Department Director or Division Manager shall appoint a disinterested staff member to investigate the circumstances surrounding each loss of or damage to capital equipment. The process shall be initiated within five (5) working days of the incident so that the investigation can be completed while those persons involved are available and the facts are clear.
- b. The results of the investigation will be furnished to the Division Manager within five (5) working days with a recommendation as to whether employee(s) should be found negligent and subject to disciplinary action. The Division Manager will determine the appropriate action and forward a recommendation to the Department Director for approval.
- c. Request for Relief of Accountability of City Property Form shall be completed by the Division Manager and signed by the Department Director. In addition to containing facts pertinent to the items lost/stolen/damaged/destroyed, the form should include a statement that the responsible officials have reviewed

Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

procedures surrounding the incident and indicate what steps have been taken to prevent the incident from reoccurring. A copy of the investigation results, police report, and other pertinent documentation will be attached to the request form with a recommendation concerning the deletion of the item from the Capital Inventory Record.

- d. The Department Director, if approving the Division Manager's recommendation, will forward the Request for Relief of Accountability of City Property Form to the approval authority based on depending upon the dollar value of the item.
- e. Asset Management shall document and formally report to the Chief Procurement Officer and the responsible appointed office when an operating program refuses to sign an annual inventory report.

11. Depreciation Policy

Depreciation is used to reflect the economic loss in the value of an asset. The City will use the straight-line method of depreciation which is the historical cost of an asset divided over the estimated useful life of the asset. The following useful life for each category of Capital Asset is defined as follows:

- a. Buildings: 4-50 Years
- b. Improvements Other Than Buildings: 7-25 Years
- c. Equipment: 3-20 Years
- d. Software: 3-10 Years
- e. Vehicles: 3-15 Years
- f. Stormwater and Wastewater Lines and Pump Stations: 10-50 Years
- g. Other Infrastructure: 10-50 Years

Office of Business and Financial Services
Procurement and Contracts Division / Section 2520.1

h. Artwork: Non-depreciable

12. Removal of Assets from City Inventory

The authority to approve deletion of a stolen, lost, damaged or destroyed asset from the City's inventory (excluding an asset damaged or destroyed as a result of ordinary wear and tear which can be deleted by the Chief Procurement Officer), is hereby established as follows based on the current value:

\$5,000 - \$100,000 – Chief Procurement Officer

Greater than \$100,000 – Operations Committee and City Council

The authority of the foregoing cannot be delegated. Upon receipt of an approved deletion request, the Asset Management Supervisor shall take the appropriate action to delete the asset(s).

13. Annual Report

An annual report will be prepared by the Asset Management Supervisor summarizing write-offs for lost and stolen assets during the fiscal year and the departments in which the losses occurred

Forms:

As referenced herein.

Committee Responsibilities:

None.

Reference:

This procedure amended by City Council October 21, 1985, Item 16, A-II; amended September 12, 1988, Item 18A-21; amended June 5, 1989,



Office of Business and Financial Services

Procurement and Contracts Division / Section 2520.1

Item 17A-3; amended January 22, 1990, Item 12A-26; amended October 5, 1992, Item 4GGG; amended July 26, 1993, Item 5-SS; amended May 16, 1994, Item GGG, amended January 22, 1996, item 6 Z; amended November 18, 1996, Item Z; amended February 23, 1998, Item 8-JJ; amended April 17, 2000, Item 3-D; amended September 15, 2003; policy section # changed from 191.4, April 2004; policy section # changed from 1000.4 and amended September 6, 2017, Item A-1; amended December 9, 2019, Item A-3.

Effective Date:

This procedure is effective December 9, 2019.



Office of Business and Financial Services
Procurement and Contracts Division / Section 2520.1

Appendix 1

Title of Document

XXXDescriptive