

CITY OF HUBBARD, OHIO
RECORD OF ORDINANCES AND RESOLUTIONS

THE FRED PROCTER CO., CINTI, O.

RESOLUTION NO.

ORDINANCE NO. 14-17

PASSED

Sept 5

20 17



AN ORDINANCE

ESTABLISHING A FIXED ASSET CAPITALIZATION POLICY FOR THE CITY OF HUBBARD, OHIO.

WHEREAS, the City Council of the City of Hubbard, Ohio desires to establish a permanent record of the City's asset capitalization guidelines; and

WHEREAS, it is recommended by the Auditor of State that written policies be adopted which outline the various procedures; and

WHEREAS, the City Council of the City of Hubbard, Ohio has authorized this legislation in order to provide clear and concise instructions concerning asset capitalization matters.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Hubbard, Trumbull County, Ohio:

SECTION 1: Fixed/Long-Lived Asset Capitalization Policy

The following policy has been prepared in order for our governmental entity to maintain an adequate accounting of the City's fixed assets. This policy should be used in conjunction with the Fixed Asset Procedure.

1. The City of Hubbard, Ohio, shall maintain a fixed asset accounting system. The fixed asset system shall maintain sufficient information to permit the following:
 - a. The preparation of year-end financial statements in accordance with Generally Accepted Accounting Principles (GAAP).
 - b. Adequate information and documentation for insurance coverage.
 - c. Control and adequate accounting of assets.
 - d. Management accountability.

2. The City of Hubbard, Ohio, Fixed Asset Manager—Auditor—is responsible for the development and maintenance of the fixed asset accounting system. The Manager shall develop procedures to insure compliance with all fixed asset policies. To insure control over entity property, an individual in each building and/or department shall be assigned fixed asset responsibilities and be designated to work with the Manager as outlined below:

Building/Department

Responsibility for Fixed Asset Records

- | | |
|---|--------------------------|
| a. Municipal Building | City Auditor |
| b. Law Director's Office | Law Director |
| c. Income Tax Administration | Income Tax Administrator |
| d. Police Station/Department | Chief of Police |
| f. Street Department (Buildings & Equipment) | Street Dept. Supervisor |
| g. Water Department (Buildings & Equipment) | Water Dept. Supervisor |
| h. Sewer Department (Buildings & Equipment) | Waste Water Supervisor |
| i. Electric Department (Buildings & Equipment) | Electric Supervisor |
| j. Maple Grove Cemetery (Buildings & Equipment) | Street Dept. Supervisor |
| k. Park Department (Buildings & Equipment) | Park Supervisor |
| l. Storm water Department (Equipment) | Storm water Supervisor |

3. Fixed assets are defined as those tangible assets purchased by the City of Hubbard, Ohio, with a useful life exceeding one calendar year and an initial cost equal to or exceeding \$5,000.00.

Fixed assets are of a long-term character (useful life exceeding one year) and are intended to continue to be held or used. Elected officials, department heads, and other principals (as appropriate) may identify "controlled" assets that, although they do not meet all fixed asset criteria, are to be recorded on the fixed asset system to maintain control. Note: The term "fixed asset" does not indicate immobility of an asset.



CITY OF HUBBARD, OHIO
RECORD OF ORDINANCES AND RESOLUTIONS

THE FRED PROCTER CO., CINTI, O.

RESOLUTION NO.

ORDINANCE NO. 14-17

PASSED SEPT 5 20 17

4. Fixed assets shall be classified as follows (Fixed Asset Classifications):

- a. Land
- b. Buildings
- c. Improvements Other than Buildings
- d. Machinery and Equipment
- e. Furniture and Fixtures
- f. Vehicles
- g. Plant
- h. Underground Lines
- i. Construction-In-Progress
- j. Investment in General Fixed Assets acquired under Capital Lease Agreements

Leased fixed assets and fixed assets that are jointly owned shall be identified and recorded on the fixed asset system.

5. Fixed assets shall be recorded at historical cost or, if that amount is not practicably determinable, at estimated historical cost. The method(s) used to estimate historical cost shall be established by the Fixed Asset Manager. Donated fixed assets shall be valued at their (estimated) fair market value on the date received.

6. The purchase of fixed assets, the transfer of fixed assets between buildings or departments, and the disposal of fixed assets shall be initiated by the elected official, department head, or other principal (as appropriate)—specifically the initiation process shall be administrated according to the responsibility divisions established in #2a-i—and require the prior written approval of the Fixed Asset Manager. An asset to be disposed of by sale, which has a current value in excess of \$1000.00, shall be sold in accordance with the statutory provisions of Ohio Revised Code Title VII, Chapter 721. The Fixed Asset Manager, at his discretion, may require any asset, regardless of value, to be sold at auction or through competitive public bidding. Either auction or competitive public bidding shall occur at the discretion of the Fixed Asset Manager when sufficient assets have accumulated to warrant the cost. The Fixed Asset Manager may establish minimum acceptable prices for assets sold at auction or through competitive bidding procedures.

7. Depreciation shall be recorded for fund fixed using the straight-line method. Depreciation recognized on assets acquired or constructed using grants, entitlements, or shared revenues restricted to that purpose shall be closed to Contributed Capital.

8. Unless noted otherwise, the following information shall be maintained for all fixed assets:

- a. Description
- b. Asset Classification (i.e. Land, Buildings, Vehicles, Equipment, etc., as shown in #4a-j)
- c. Identification/Tag Number
- d. Building and/or Department using or controlling asset
- e. Location
- f. Purchase Price
- g. Discounts taken at time of purchase
- h. Vendor/Contractor if bought. Note as Self-Constructed if built in-house.
- i. Date purchased
- j. Check or Voucher Number
- k. Purchase Order Number
- l. Estimated Useful Life
- m. Estimated Salvage Value
- n. Replacement Cost
- o. Accumulated Depreciation
- p. Method of Acquisition (i.e. purchase, lease, trade-in, donated, etc.)
- q. Source of money used for acquisition
- r. Whether asset is covered under a warranty or maintenance agreement

CITY OF HUBBARD, OHIO
RECORD OF ORDINANCES AND RESOLUTIONS

THE FRED PROCTER CO., CINTI, O.

RESOLUTION NO.

ORDINANCE NO. 14-17.....

PASSED SEPT 5 20 17.....



- s. Provider of service under terms of warranty or maintenance agreement
- t. Term of warranty or maintenance agreement—expiration date
- u. Manner of Asset Disposal (i.e. sale, trade-in, auction, used for parts, scrapped, etc.)
- v. Note if asset is “Not In Use” or “Held for Sale”

SECTION 12: All prior Ordinances or parts thereof in conflict with this Ordinance are hereby repealed.

SECTION 13: All formal actions of the City Council of Hubbard, Ohio relating to the adoption of this Ordinance, and all deliberations of the City Council of Hubbard, Ohio and any of its committees leading to such action, were in meeting open to the public as required by law.

PASSED IN COUNCIL THIS 5TH DAY OF SEPTEMBER, 2017.

ATTEST:

Farrie Brown
CLERK OF COUNCIL

William Williams
PRESIDENT OF COUNCIL

APPROVED:

John D Danko
MAYOR

APPROVAL DATE: SEPT 6, 2017

FIRST READING: JULY 5, 2017

SECOND READING: JULY 17, 2017

THIRD READING: SEPT 5, 2017

I hereby certify that the foregoing Ordinance was published in the Hubbard Soaring Eagle and The News of Hubbard on the dates herein below set forth and was posted at the Hubbard City Municipal Building on the day herein below set forth.

DATES OF PUBLICATION:

_____ day of _____, 2017

POSTED:

6TH day of SEPTEMBER, 2017

_____ day of _____, 2017

_____ day of _____, 2017

