

**Stillwater Fire District
Policy and Procedures**

Fire District Policy and Procedure **Policy Number: 5 of 2007**

Policy Name: Inventory Policy

Date Issued: June 11, 2007

Effective: June 2007

Revised: January 2012

Review Date: January 2020

I. Policy

To better safeguard assets owned by the Stillwater Fire District, the fire district is required to implement an asset inventory system. This inventory will consist of items that cost greater than \$1,000 to include fixed assets and equipment belonging to the Fire District. Up to date inventory information shall be maintained through the coordination of purchases and surplus disposition. Annually a physical verification of the inventory records to the items actually on hand will be performed.

The Board of Fire Commissioners, District Secretary and District Treasurer shall work as an Inventory Control Management Team who will be responsible for maintaining the inventory. If no Inventory Control Manager is named it is the responsibility of the District Treasurer. The annual inventory shall be the responsibility of the members of the Board of Fire Commissioners working in conjunction with the Chief Officers as well as the District Secretary and Treasurer. Copies of invoices for equipment required under the inventory policy shall be submitted to the District Secretary for documentation.

The Board of Fire Commissioners may choose to contract with an outside firm to perform and maintain inventory records.

II. Procedures

What Items Should be Included on the Equipment Inventory?

Items that cost more than \$1,000 must be recorded on the Inventory. The Fire District will internally track assets costing more than \$1,000 as described below *or as suggested by a contract firm in accordance with sound accounting principles.*

1. The items that must be entered on the system are defined as tangible property, with an expected useful life of greater than two years and also have a cost greater than \$1,000.
2. Computers, electronic office equipment, radio equipment and technology related items, including testing devices costing more than \$1000.
 - o Any component of a computer or any technology related item which individually costs more than the \$1000 threshold should be recorded as a

separate piece of equipment. Internal components like hard drives or CD ROMs should not be labeled separately; they will be considered part of the single asset; even if items are listed separately on a purchase order. For example, if a purchase order for a PC listed the type of processor, a CD drive; a hard drive, or a video card as separate line items they would still be considered one asset because they are physically integrated into a single unit/system. However if external components like the monitor, a printer or a scanner cost more than \$1000 then they should be recorded as separate items.

3. Tool carts or tool boxes.
 - o Many maintenance tool boxes or carts are made up of individual items that do not cost significant amounts but in the aggregate may be worth tracking on the inventory system, depending on their aggregate value.
4. Other assets that the District would like to exercise a greater level of control over may be entered and tracked on the system but the greater the number of items tracked by the system, the more difficult it is to maintain.
5. Furniture less than 10 years old including but not exclusively, Executive chairs, side chairs, desks, tables, file cabinets, book shelves or office chairs worth \$1000 or more shall be recorded on the inventory.

Establishment of an Initial Inventory

The initial inventory will be developed using the criteria above. Prior to taking this inventory the Equipment Inventory Form and its instructions should be reviewed so that all of the required data elements are recorded during the initial physical inventory. Funding data may need to be estimated for items during this initial period because of the difficulty of finding such data.

Adding New Equipment

The majority of additions will result from purchases. However other methods of acquiring items should also be considered so that all applicable items are entered into the inventory system.

Other acquisition methods include:

Construction - Other items such as computers could be made from parts consolidated from other computers. These compilations would be added to the inventory through an addition form if worth in excess of \$1,000.

Donation - Items could be acquired from the State or Federal Property donation Process or possibly through private donation. All such items should be recorded at their fair market value at the time of the donation and not their historical cost.

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Lease - Items that are leased should be added when the terms of the lease more accurately reflect ownership by the District. This occurs when the buyout cost of the item at the end of the lease is negligible or the length of the lease covers the majority of the useful life of the item.

Assets Supplied as a Term of a Contract - Contractors are sometimes required to provide equipment as part of the terms of their contract, such items should be recorded on the system if the item(s) become District property during or at the completion of the contract. Such items should be added to the inventory at the inception of the contract to ensure that the accountability of the item is established. The funding or purchasing method used does not affect the fact that such items are assets owned by the District.

Establishment and Update of Asset Records

An asset record is initially established through the filling of an Equipment Inventory Form.

When a purchase requisition, lease, contract, credit card purchase or any other transaction is being initiated, it should be reviewed by the Treasurer to determine if the transaction includes the acquisition of items that meet the requirement for inclusion on the inventory. When the item is ordered, the person(s) responsible as an Inventory Manager should be notified so that the inventory control form can be completed upon receipt of the item and an inventory label can be attached. The Inventory Manager will enter the appropriate information on the inventory data base.

Assigning an Asset Number to Equipment

All items shall be tagged or stenciled with a standardized system as established by the Fire District.

Declaring an Item Surplus

Any item declared as excess or any item to be disposed of or surplus shall be updated on the Inventory System by noting the disposition of the item.

Transferring an Item

When items are moved between facilities the inventory location will need to be updated.

Retiring an Item

When items are broken, obsolete or no longer required; the Board is responsible for taking action to resolve surplus property and to properly dispose of the items according to applicable rules and regulations. The Property Manager shall be notified so that the inventory files can be properly maintained. If the item is disposed of; information should be maintained to document the validity of the inventory deletion.

Temporary Use of Equipment

Inventoried equipment shall not permanently be moved from its assigned premises without notification of the proper authority (Chief or Board of Fire Commissioners).

Control or Inventory Decals

The Property Control Manager shall maintain a supply of inventory decals. All property that has been entered on the property inventory sheets shall be properly marked if practical.

Physical Inventories

Any changes in the inventory be conducted during the month of January. The results of this inventory should be documented in writing. The results of the inventory should be reconciled to the inventory records. Differences should be reconciled and when necessary, documents should be prepared to adjust the records to reflect current conditions. The results of the inventory will be kept on file. Any decisions related to unreconcilable differences shall be reported to the Board of Fire Commissioners.

Examples of Types of items to be inventoried:

- Pumps, Portable
- Generators, Portable or Fixed
- Pumpers, Aerial Devices, Support Unit, Rescue
- Thermal Imaging Device
- SCBA Assembly
- SCBA Cylinder
- Fire Stations
- Accessory Buildings
- Hose by size
- Computer
- Printer
- Technology items, specify
- Warning Siren System
- Radio, Base or Portable
- SCBA air compressor
- SCBA air D cylinders
- SCBA booster pump
- Extrication tool and component
- PPE Coat, Boots, Pants, Helmet
- Other, specify

By Order of Board of Fire Commissioners – Stillwater Fire District

Anthony Ponzillo

Chairman Board of Fire Commissioners