

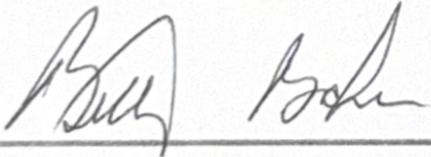
TOWN OF GILBERT, AR
RESOLUTION NO. 05-2025

A RESOLUTION ESTABLISHING A FIXED ASSET POLICY FOR THE TOWN OF GILBERT, AR.

WHEREAS ARKANSAS CODE ANNOTATED (A.C.A) §14-59-107 (a) requires governing bodies to adopt a policy defining fixed assets.

WHEREAS A.C.A § 14-59-107 (b) requires all municipalities establish and asset listing of all fixed assets owned by the municipality.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF GILBERT, ARKANSAS, HEREBY ADOPTS THE ATTACHED FIXED ASSET POLICY MARKED AS EXHIBIT FA, PAGES 1-3 TO DEFINE FIXED ASSETS TO BE RECORDED AND TRACKED.

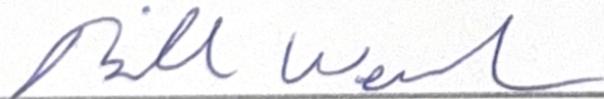


Billy Baker, Mayor

10-9-2025

Date

Attest:



Bill Weeaks, Recorder-Treasurer

10/9/25

Date

Town of Gilbert, Arkansas

Fixed Asset Policy

Introduction

Fixed assets are tangible, long-term resources owned and used by the Town in its operations, which are not intended for sale in the regular course of business. Examples include property, plant, equipment, vehicles, and technology infrastructure. A robust fixed asset policy establishes procedures for the acquisition, management, and disposal of such assets, ensuring their proper stewardship and accurate financial reporting as required by Arkansas Code Annotated § 14-59-107.

Objectives of the Fixed Asset Policy

The primary goals of a fixed asset policy are:

- To ensure proper identification, recording, and safeguarding of fixed assets.
- To provide clear guidelines for asset acquisition, valuation, and capitalization.
- To establish a framework for periodic review and maintenance.
- To define procedures for the disposal or retirement of assets in accordance with applicable laws and accounting standards.
- To support compliance with internal controls, audit requirements, and statutory regulations.

Scope

This policy applies to all Town expenditures. It covers all tangible assets with a useful life of more than one year and a purchase value exceeding the Town's capitalization threshold.

Definitions

- **Fixed Asset:** A physical item owned by the Town, intended for long-term use in operations, not for resale.
- **Capitalization Threshold:** The minimum value at which an item is classified as a fixed asset.

- Useful Life: The period during which the asset is expected to provide economic benefit.
- Residual Value: The estimated value of an asset at the end of its useful life.
- Disposal: The act of removing an asset from service due to sale, obsolescence, damage, or other reasons.

Asset Acquisition

Approval and Authorization

All purchases of fixed assets above the capitalization threshold must be authorized by the Town Council. Proper documentation, including invoices, and contracts, must be maintained to ensure a transparent audit trail.

Capitalization Criteria

Assets must meet the following criteria for capitalization:

- A useful life exceeding one year.
- A value at or above the capitalization threshold of \$1000.
- The asset is used to support operations and generate economic benefit.

Asset Recording

All capitalized assets are to be recorded in the Town's fixed asset register, detailing:

- Asset description and classification
- Date of acquisition
- Cost or valuation
- Serial number if available

Asset Maintenance and Review

Periodic Inventory

A physical inventory of all fixed assets should be conducted at least annually. Discrepancies between the asset register and physical count must be investigated and resolved.

Maintenance

Assets must be maintained in good working condition to extend their useful life and maximize value.

Disposal and Retirement of Assets

Disposal Procedures

Assets may be disposed of due to obsolescence, damage, sale, or other reasons. Disposal must be authorized by the Town Council, and all proceeds or losses documented. The asset register is to be updated to reflect the disposal, and the asset physically removed from service.

Internal Controls and Compliance

Proper internal controls must be established to safeguard assets against theft, loss, or misuse. Access to assets and asset records should be restricted to authorized personnel. Controls should be reviewed regularly and improved, as necessary.

Reporting and Disclosure

All fixed assets and related transactions must be accurately reflected in the Town's financial statements, complying with relevant accounting standards and regulatory requirements.

Roles and Responsibilities

- Recorder Treasurer: Ensures proper recording and reporting of assets.
- All: Responsible for safeguarding and maintaining assets within their control.