

CITY OF DOTHAN, ALABAMA

STANDARD OPERATING GUIDELINE - NO. 4

**ACCOUNTABILITY AND DISPOSAL OF
REAL, PERSONAL AND CONFISCATED PROPERTY**

I. PURPOSE

- A. To provide responsibility and establish guidelines for the control and accountability of the City of Dothan real and personal property.
- B. To establish a procedure to properly report the most efficient manner to dispose of surplus real, personal and confiscated property of the City of Dothan.

II. DEFINITIONS

- A. Custodian – The Department who has been assigned the responsibility and accountability of City-owned property under the department’s control or use.
- B. Property (Capital Asset) – Furniture, equipment and other tangible personal property items having a useful life of five (5) years or salvage value of more than \$500.
- C. Physical Inventory – A sight verification ascertaining that a specific property item exists and is in or at the location specified on the property record.
- D. Property Record – A complete documentation of each property item identifying the property’s value, location, custodianship and other pertinent information.
- E. Property Record Number – An identification number for each piece of property attached to or inscribed thereon, if practical, and used as a reference to the property record.

III. GUIDELINE

- A. Personal, Confiscated and Forfeited Property:
 - 1. After obtaining proper approval through the City Manager and funding verification by the Finance Director, the property (fixed asset) is purchased. All property purchases (Funded by general and utility funds, grants, seizure, forfeiture and all other sources of City revenue) with a useful life of three to five years and having a value greater than \$500 will be recorded from the invoice submitted to the Finance Department Accounting Division. The invoice will provide all data relative to the payment, value, location and custodian.

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2. The Finance Director will be notified within ten (10) days of receipt of any donations, bequests, etc. accompanied by the title of ownership to any property received.
3. When items are confiscated by the City of Dothan Police Department, the Police Chief shall submit a report within 24 hours to the City Manager and the Finance Director containing a description of those items and an estimate of their value.
4. In the event confiscated/seizure income property is awarded to the City by the courts, the Police Department and the Finance Department must maintain additional records of said property over \$5,000 and request approval for disposal.
5. Upon obtaining legal approval (When required through Federal and State mandates) for the disposition of the confiscated items, the Chief of Police will notify the City Manager and Finance Director in writing.
6. The City Manager shall have the authority to designate ALL items of personal property as surplus (to include confiscated property) upon the recommendation and confirmation of the Finance Director.
7. The City Manager shall determine the most efficient method of disposal (sealed bids, quotes, trades, scrap, etc.) to insure that adequate compensation is realized by the City for those items which have a residual value. Department Heads can recommend the most efficient method of disposal based on their experience.
8. Adequate documentation will be made on items disposed under this operating guideline. Forms created for this purpose, will be completed by the Department Head and routed first through the Finance Director and approved by the City Manager.
9. Requests for disposal should include:
 - a. Justification for the declaration of surplus.
 - b. Choice of disposal.
 - c. Listing of all asset numbers and descriptions of the asset to be declared as surplus.
10. The Department Head will be responsible for providing internal control to safeguard the City's asset until obtaining the proper approval for disposal.
11. If a sale of any equipment or property is to be held, the Finance Department shall handle the receipt of all cash in all transactions.

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12. The City will accept only cash in full, or a cashier's check for sales of surplus property and equipment before such property is removed from City Property.
13. The City Manager shall provide a list of items to be disposed to the City Commission 21 calendar days in advance of such disposal.

B. Real Property

1. This section shall apply to all land and buildings owned by the City of Dothan except those under control of the City School Board and Dothan Housing Authority where other procedures or ordinances (Resolutions for contracts) are in effect.
2. Sale of real property shall be in accordance with the Alabama Constitution and City of Dothan Code of Ordinances.
3. Swapping or trading of real property shall be only upon approval of the City Commission after determination that such action is in the best interest of the City of Dothan. Property to be swapped or traded shall be considered and determined by the City Commission to be no longer needed for public or municipal purposes. City property may be swapped or traded only for other property of equal or greater value.
4. City owned buildings may be demolished after the City Commission has considered and determined that such buildings are no longer needed for public or municipal purposes. City forces may be directed to demolish said building or demolition may be contracted. Demolition contracts shall be in accordance with the State of Alabama Bid Law. The City Manager shall have the authority to negotiate demolition contracts for salvage of materials at no cost to the City subject to approval by the governing body. Prior to entering into a demolition contract, any entity with jurisdictional interest will be notified for comments.

IV. ACCOUNTABILITY

- A. The custodian's accountability becomes fixed (begins) upon receipt of the property under their control or use.
- B. The custodian's accountability ends when:
 1. The custodian receives written notification of the disposition with the appropriate authorizing Commission Resolution.

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2. Another custodian assumes the responsibility and the transfer form is signed by the receiving and relinquishing Department Heads and approved by the City Manager.

C. The custodian will be responsible to:

1. Exercise prudent judgment in safeguarding the property under their accountability from theft, loss, avoidable damage, unauthorized use, injury, hazards to others and similar acts or circumstances.
2. Assist in the physical location for assigning asset numbers and assist in the physical inventory in order to locate items not in assigned location of record.
3. Report immediately to the Finance Director any:
 - a. Change in the permanent location of the property.
 - b. Discontinue use.
 - c. Intent to cannibalize or scrap upon prior approval of the City Manager.
 - d. Intent to dispose of the property as a trade-in on a purchase upon obtaining prior approval of the City Manager.
 - e. Losses and Thefts. Thefts are to be immediately reported to the proper law enforcement agency. (Finance Director is to be given a copy of such report.)

D. The Finance Director is responsible for:

1. Insuring that the provisions of this operating guideline are fulfilled.
2. Prescribing necessary forms, records, reports and title of ownership.
3. Physically inventorying City of Dothan property annually.
4. Providing accurate records for external audit.
5. Maintaining a current master file to include records of all city property, custodians and property assigned to the custodian's responsibility.

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V. RESERVATION OF AUTHORITY

The City Manager reserves the right to change, amend or modify this operating guideline.

VI. APPROVAL AND EFFECTIVE DATE

This operating guideline is adopted and approved by the City Manager on this _____ day of _____, _____

ATTEST BY:

APPROVED:

CITY CLERK

CITY MANAGER