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AM-305-1 Part I

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Control of City Inventory and Management of City Assets

SCOPE

This policy establishes safeguards and controls to prevent the loss, abuse, and theft of materials, tools, and equipment owned by, or leased to, the City and assigned to various City administrative units. Adherence to these control and management procedures should reduce financial loss suffered by the City and maximize productivity of the administrative unit owning or leasing such equipment. It is the responsibility of the agency/bureau head or designee to ensure that the established procedures are implemented.

POLICY REQUIREMENTS

It is the policy of The City of Baltimore that all City materials, tools, and equipment owned by, or leased to, the City:

1. Be safeguarded against theft, abuse, and loss;
2. Be managed and utilized in a prudent and effective manner to maximize their value;
3. Be financially valued and depreciated in accordance with Generally Accepted Accounting Principles; and
4. Be catalogued and inventoried and tracked in accordance with Generally Accepted Accounting Principles.

The Mayor's Office shall establish guidelines to implement this policy. Agencies may develop their own guidelines so long as they are as stringent as those developed by the Mayor's Office and have been reviewed and approved by the Mayor's Chief of Staff or his/her designee.

IDENTIFICATION

Each agency that utilizes and/or manages materials, tools, and equipment shall designate employees whose primary responsibility it is to catalogue, value, and monitor the supply of the materials, tools, and equipment. These employees may not purchase materials, tools, and equipment.

Materials

- Management of inventories must be vested in specific individual(s) who are different than those responsible for purchasing.
- Materials must be stored in a secured area reasonably protected from physical deterioration and not accessible to the public or to unauthorized employees.
- Fragmentation of material storage areas must be avoided so as to facilitate control and to avoid the accumulation of excess stocks.

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- Materials must only be issued with a written receipt and in the quantities immediately needed. Employees may not draw their own materials without oversight.
- Surplus materials must be returned immediately to stock. Consistent failure to have surplus materials returned to stock must be investigated.
- Inventories must be maintained on regularly stocked items.
- Office supplies should be physically located so that management is aware of any unusual usage by an employee.
- All materials must be tagged and tracked.

Tools

- Hand and power tools must be issued to specific employees and a signed receipt kept for same.
- The damaged original must accompany requests for replacement tools.
- Records must be kept of all tools issued to each employee. They must be inventoried periodically and upon termination.

Equipment

- Inventories of valuable equipment items that are easily portable, e.g., slide projectors, typewriters, desk computers, hand mowers, vacuum cleaners, mobile phones, tablets, etc., require special attention. This equipment must be tagged, and officially assigned to a specific person who agrees to keep the equipment safeguarded.
- Each item must be indelibly identified as City property that includes an identification number.
- Records must be kept of all equipment. All equipment must be tracked and tagged.
- An individual employee must be identified as accountable for personal use equipment. The Unit Supervisor, where the equipment is utilized, is accountable for common equipment.
- Equipment must not be loaned to another organizational unit without the signature of a responsible agency official. The borrowing agency is accountable for the condition of the tool upon return.
- Agencies must avoid keeping damaged, inoperable, or excessive equipment in stock.
- Employees who damage or destroy equipment may be subject to discipline as determined by their department or agency.
- Employees are not allowed to borrow equipment for personal use.

Vehicles and Other Rolling Stock

- The use of City vehicles must conform to all established Citywide policies.

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Software

- Licenses for software must be managed and tracked.
- The Mayor's Office of Information Technology shall develop standards and guidelines with agency input for software management distribution.

CONTROL OF CITY PROPERTY

Agencies or bureaus at the time of procurement shall identify in a uniform manner materials, tools, and equipment as:

1. Either assets or expenses and as
2. Either sensitive or non-sensitive.

Sensitive items are those items that are attractive for personnel use, pilferable, and or hazardous, and therefore require a greater degree of control and accountability. These include such items as desktop and laptop computers, smart phones, tablets, firearms, medicinal drugs, caustic chemicals, etc.

Unless otherwise specified by law, contract, or other binding agreement, all items purchased using City funds that are considered non-sensitive with a value of \$500 or more, or sensitive with a value of \$250 or more must be physically tagged.

All City Property, when no longer needed by the City agency with possession of or control over the property, must be transferred or disposed of in accordance with the Property Disposal Program (see AM-306-1 and AM-306-1-1) and categorized as one of the following:

- Excess property, as defined in AM-306-1;
- Surplus property, as defined in AM-306-1;
- Salvage property, as defined in AM-306-1; or
- Scrap property, as defined in AM-306-1.

All City Property that is procured or otherwise acquired by the City with the sole intention of transferring ownership to another party (e.g. program incentive gifts, promotional items, emergency preparedness supplies, back-to-school supplies, employee awards) shall be clearly marked as such, and should not be counted as City inventory.

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Agencies or Bureaus shall:

- Ensure all City Property is valued and managed in accordance with Generally Accepted Accounting Principles and
- Cataloged in a secure, reliable, and protected inventory management system that has been authorized or recommended by the Mayor's Office of Information Technology.

From time to time, the Department of Finance shall request financial information pertaining to asset depreciation as well as the cost, use, and procedures for safeguarding and managing materials, tools, and equipment.

Agencies or Bureaus shall physically count all materials, tools, and equipment at least once per fiscal year and establish a procedure for performing continuous cycle counts for high-theft and/or high-dollar items. The Director of Finance may determine special procedures certain when necessary.

All sensitive items shall be assigned to an owner who is responsible for its safekeeping.

The custodial agency with inventory items or assets that have a set shelf life or expiration date, or a warranty period, should include this information in the inventory and/or asset tracking system (e.g. ballistic vests, pharmaceuticals, replacement windows).

ASSET MANAGEMENT

Assets are resources controlled by the City that have value and from which future economic benefits may be derived. In addition to investments and funds, assets include property and structures, as well as certain materials, tools, and equipment.

Agencies or bureaus controlling assets shall manage City assets in accordance with Generally Accepted Accounting Principles and AM305-1 Part III Capital Assets and Accounting.

RELATED POLICIES

AM-305-1 Part II	INVENTORY SYSTEM: STOCK ITEMS
AM-306-1	PROPERTY DISPOSAL PROGRAM
AM-306-1-1	PROCEDURE FOR DECLARING EXCESS PROPERTY
AM-501	CITY OWNED VEHICLE POLICIES